

# WEEKLY REPORTS

Checklist  
11/11/16

Darren Springer

- Agency of Commerce and Community Development – Lucy Leriche
- Department of Financial Regulation – Michael Pieciak
- Public Service Department – Chris Recchia
- Agency of Human Services – Hal Cohen

Sue Allen

- Agency of Education – Rebecca Holcombe
- Agency of Transportation – Chris Cole
- Agency of Natural Resources – Deb Markowitz

Sarah London

- Department of Public Safety – Keith Flynn
- Agency of Administration – Trey Martin

Jessica Gingras

- Boards and Commissions – Jessica Gingras
- Department of Liquor Control – Patrick Delaney

Laura Gray

- Agency of Agriculture – Chuck Ross
- VT Commission on Lottery – TBD

James Pepper

- Department of Labor – Annie Noonan

**To: Governor Peter Shumlin**  
**From: Lucy Leriche, Secretary - Agency of Commerce and Community Development**  
**Date: November 11, 2016**  
**Re: Weekly Report**

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**LUCY LERICHE, SECRETARY**

- **Film Credit--Gunther Series:** Fred, Joan and I met with Alex Aldrich of the Vermont Arts Council about a legislative strategy for getting some kind of incentive proposal through the legislative process. We were hoping the Arts Council could take the lead, but Alex made it clear that they already have a large legislative agenda and did not want to commit. We will continue to talk with Margot & Archer Mayor to further refine the ask, after which, we will create a strategy and partners for execution. A new development of note: Treat Williams has signed on to the project!

**DEPARTMENT OF ECONOMIC DEVELOPMENT**

**BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director**

**Working Lands Enterprise Initiative**

- 50 people attended our “Beyond Steel & Concrete: Wood in Modern Construction” event in Stowe on 11/4, including a dozen architects. There was a great presentation by [Woodworks](#) on utilizing “mass timber,” including cross-laminated timber, for large (4+ story) building projects. This event was part of a larger effort to identify new uses for wood, especially low-grade wood, that can help develop new markets for forest products to replace what is being lost with the decline of the pulp and paper industry. There are four mass timber production companies in North America: two in Canada, and two in the US. One of the US companies, [Smartlam](#) in Oregon, is currently looking at expanding its operations to the east coast, looking for 150,000 sq. ft., 18 foot ceilings, ideally near a sawmill and rail access. If anyone is aware of sites in Vermont that may make sense, please let me know. Following the event, there was also interest in seeing a demonstration project in Vermont (the closest mass timber building to Vermont is being constructed at [UMass Amherst](#)). To make sense economically, the building would have to be 4 stories or higher. Will work with the WLEB, RDCs, CDBG, USDA and others to identify possibilities.

**Business Support**

- Reached out to Ethan Allen to get more information about their plans re: the Wood Products Manufacturer’s Tax Incentive.

**BUSINESS SUPPORT - Economic Development Policy Specialist ♦ Ian D. Davis, MPA**

- **OEA Grant:** Ian will be in Hartford, CT this week to represent Vermont at the Regional Aerospace and Defense Exchange Summit. Following the Summit, OEA grant participants from across the region will be meeting to discuss next steps. The New England states combined OEA efforts in workforce development, supply chain asset mapping, international trade, export compliance and diversification strategies are helping to lay the foundation for a collective regional voice.

**INTERNATIONAL TRADE (VERMONT GLOBAL TRADE PARTNERSHIP) ♦ Katie Corrigan, Manager of International Trade**

- AeroMart 2017, being held in Montreal, Canada April 4-6, 2017, is now a full show for Vermont. The following companies have confirmed: Concepts NREC, Liquid Measurement Systems, MSI, Microwire

Transmission Systems, North Hartland Tool Corporation, Stephen's Precision, Superior Technical Ceramics, U.S. Commercial Services, Vermont Chamber of Commerce and myself. The following companies are in a current pending status: Pre-Tech Precision, Quadra-Tek and Swiss Precision Turning.

- Solar Power International is also in full swing. This show will take place September 10-13, 2017 in Las Vegas, Nevada at the Mandalay Bay Convention Center. Vermont has already purchased and confirmed our eight-booth pavilion at this show. The show has a history of selling out and is already, to date, more than 75% sold.
- SelectUSA Canada will be taking place on December 6<sup>th</sup> in Montreal, Canada. Vermont is awaiting approval to attend this event, as Canada is one of our largest trade partners. In attendance will be North Carolina, Arizona, Wisconsin, New York, New Hampshire, Texas, Illinois, Florida and many more. Vermont jobs depend on trade and investment with Canada; in fact, 18,900 of our jobs in Vermont depend on this. Vermont exports \$1.2 billion to Canada each year (US Census Bureau).

This event will be free for Canadian companies to attend. The event will include sessions on topics that all companies looking to establish operations in the United States should consider. There will be keynote speakers to discuss entry strategies, corporate structures, tax implications, finance options, due diligence, site selection and much more.

- November 14<sup>th</sup> 2016 ACE (Automated Commercial Environment) and International Documentation Training will be taking place at the Windjammer in South Burlington, Vermont. The following companies are signed up to date: MBF Bioscience, Renewable NRG, Hubbardton Forge, Concept 2, Cabot Creamery/Agri-Mark and Vermont Furniture Store. Unfortunately, half of the companies are unwilling to do the application to see if they qualify for the State Trade Expansion Program (STEP) grant and so they are paying full price for the class.
- ExporTech 2017 is still being recruited for and so far, we have applications from Bike Track, Renewable NRG and Hubbardton Forge. Applications are pending from Bees Wrap Ogee, Sap, VASA, LPA Design.

### **VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director**

#### **On November 3, the VEPC Board met and took the following actions:**

- Approved an Initial application from Vermont Precision Tools, Inc. of Swanton, giving initial authorization of VEGI incentives of up to \$304,997 for expansion to building, new M&E and jobs.
- Approved a Final application from BHS Composites Corp of St. Johnsbury, giving final authorization of VEGI incentives of up to \$512,144 to establish a facility in Vermont.
- Approved a Final application from G.S. Precision, Inc./GSP Coatings/BDCC Real Estate Holdings of Brattleboro, giving final authorization of VEGI incentives of up to \$1,154,702 for expansion project.
- Approved a Final application from Imerys Talc of Vermont, Inc. of Ludlow, giving final authorization of VEGI incentives of up to \$696,332 for expansion project.
- Approved a Final application from LTK Consulting Services, Inc. of White River Junction, giving final authorization of VEGI incentives of up to \$184,683 to move company from Lebanon, NH.
- Also, heard from three contributors for the Act 157 VEGI Policy Review report.

#### **VEGI**

- Continued to work with the following to file new VEGI applications for Nov 17 and Dec 8 meetings: Westminster Cracker (Rutland), Commonwealth Dairy (Brattleboro), and Hermit Thrush Brewery (Brattleboro).

- Worked with five applicants filing Final VEGI Applications for December 3 meeting: Bariatrix (Georgia), Caledonia Spirits (Mont), Chroma (Bellows Falls), Kingdom Pellets (Lunenburg), and VT Aerospace (St. Johnsbury).

### **WCEDP**

- Attended and spoke at BDCC Annual Meeting; Stephan Morse received a Distinguished Citizen Award.
- Processed application for competitive grant from SEON. Further information requested.

### **TIF**

- Interviewed with Molly Walsh, Seven Days, regarding TIF votes in Burlington and South Burlington. Article [published Nov 2, 2016](#).
- Responded to inquiries from Steve Goodkind regarding Burlington Waterfront TIF.

### **VERMONT TRAINING PROGRAM ♦ John Young, Director**

- Working with Brattleboro Memorial Hospital with a few training initiatives that may qualify for VTP. They are spending lots of money on traveling nurse positions not unlike most healthcare providers and are looking at internal training to help this out.
- Along with Joan Goldstein and Ian Davis, met with Becky Kapsalis, HR director at UVM Medical Center, to talk about training needs and pipeline development. They are having a difficult time filling LPN positions due to most nursing candidates looking to complete their RN degrees.
- Meeting with Imerys Talc to work on a new VTP application as their training program was delayed due to permitting challenges and they are needing to extend their training for another year.

## **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

### **Deputy Commissioner Hanford**

- **VHFA- Joint Committee on Tax Credits:** As a voting member of the committee, participated in the second of three public meetings to discuss the proposed changes to the 2017 & 2018 Qualified Allocation Plan (QAP) which sets the priorities for awarding over \$25M in Low Income Housing Tax Credits (LIHTC) each year in VT. LIHTC is the single largest resource for housing construction in VT & nationwide. Very few changes are recommended for the 2017 QAP and will be adopted without debate. The Draft 2018 QAP includes many changes that elevate serving the homeless as a priority and targets funding to communities with less than a 3.5% housing vacancy rate. Comments and discussion will continue into December before the committee and the VHFA board vote on the 2018 QAP.
- **Housing the Homeless:** Along with AHS, held discussions with a private land owner and developer in Williamstown that reached out to the Governor's Office regarding the Governor's 15% Executive Order to house the homeless. He wants to build housing to serve the homeless and others with special needs.

### **COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director**

#### **Partner Report**

- **VTrans, ANR -- Collective Impact Conference:** Richard, along with his counterparts at VTrans and ANR attended the [Collective Impact Conference](#) with local leaders from Springfield. Springfield's selectboard chair, Kristi Morris, and Bob Flint of the Springfield Regional Development Corporation participated in the 'team building' conference and look forward to using the collective impact model to strengthen the state

and local partnership to revitalize Springfield's economy and downtown. Next steps are for the interagency team to meet in January with local and regional stakeholders. Big thanks to VTrans for covering Richard's fees to participate!

### **State Designation Program Report**

- **Bristol - Neighborhood Development Area (NDA):** Faith and Gary met with representatives of the town and downtown organization in Bristol to discuss their readiness for NDA designation. Bristol is working with a developer to create a business park on town-owned land behind the new fire station, with plans for new homes as well. Several other village parcels would be appropriate for future housing projects; however, the existing zoning regulations do not support Bristol's historic pattern of development. The community will need to update its bylaws to support traditional infill to qualify for NDA designation.

The primary benefit of NDA designation is exemption from Act 250 review, which reduces development costs and saves time. The good – and bad news – is the parcel in Bristol and the creamery re-development project in Richmond are subject to existing Act 250 permits and therefore receive limited benefits from NDA designation. For this reason, there is less urgency for both communities pursuing the designation.

Stakeholder outreach related to the Act 157 study (that is developing recommendations to improve housing and infrastructure) revealed other communities and developers question this existing permit limitation, especially given the critical need and demand for new housing with shorter commutes to work, schools and shops. Discussions are planned in the coming weeks with the NRB and ANR to explore opportunities to address this issue.

### **GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director**

#### **CDBG Disaster Recovery Program**

- Ann has prepared a Memo to the CD Board for Red Clover Commons enhancement request of \$239,299 to cover some minor work on the new building, and then removing the four buildings left vacant at Melrose Terrace that are in the floodway and most critical to restoring the floodway and working towards greater flood resiliency of the Whetstone Brook. A phone Board meeting will be conducted November 17 to present the information and answer any questions the Board members may have as they deliberate their recommendation to the Secretary.
- Ann is working closely with the Hunger Mountain Children's Center (HMCC) project to get to final completion, secure their licensing, and open for business back in downtown Waterbury. There are some cost overruns to be expected when working with two historic buildings, as well as the consideration that working with the lowest bidder and an attempt to stay within a very tight budget over \$350K was value-engineered out the bid.

#### **Closeout Agreements/Financial Reports/Revolving Loan Funds**

- Cassie has been working with both NVDA and Community Capital of Vermont (CCV) to complete the assignment of loan repayments from the Jay Peak Golf Course project and the Ski lift project, respectively. The Town of Jay will remain in place as the lender of the two loans and forward repayments to each organization. This will provide an opportunity for over \$400K of loan repayments to be actively marketed and used in the region. The good news is that the Receiver has continued to make payments on the loans at this time.

#### **HUD Issues**

- Ann received a call from the HUD Office of Inspector General (OIG) from Washington, DC about initiating a review of the Audit Requirement under the Sandy Bill, PL-122. They are targeting 10 of the 34 Sandy Bill grantees to complete before Christmas, and would like to schedule an entrance call ASAP. They will e-mail more details about the substance of the review. Dale and Ann will review "the Sandy Bill

Bible” to ensure we respond per the certification we put forth regarding the internal/independent Auditor role within the Disaster Recovery Program.

### **HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer**

- **CONFIDENTIAL - Update: Middlebury Main Street Bridge Replacement Project:** Attorney James Dumont submitted objections to the bridge project on behalf of residents and property owners, and requested a meeting with VDHP. Laura responded that we have an agreement with VTrans regarding the review of projects under Section 106 and directed him to contact (at her suggestion) Andrea Wright, the VTrans Environmental Services Manager. This prompted him to inquire for a copy of our programmatic agreement. Laura then chatted with Dale Azaria and Andrea about the request for the PA, and is awaiting to hear how VTrans would like to proceed, as they should be taking the lead on these conversations.
- **VTrans PA:** Considering current project issues and the change in administration, Laura again prompted the VTrans team to get amovin’ on the programmatic agreement. Andrea Wright and Chris Slesar of VTrans fully agreed and shall be shortening their timelines for the completion of remaining issues and text revisions. Dale prepared the text regarding excepted (or unscreened) activities to be put into the body of the PA once reviewed by all and Laura prepared the most recent versions of the PA with track changes to see how and what has changed. Ball is back in VTrans’ court.

### **State Archaeologist**

- Last Friday, Jess met with a woman in Ferrisburgh, who had found a possible Native American artifact along the exposed beach of Lake Champlain. The artifact is a remarkable Native American nut-grinding mortar made from a large boulder. Because of its large size, Jess left it in place but photographed and measured it for VAI documentation. This find is another instance of important archaeological sites being exposed due to this year's unprecedented low water.

### **State Architectural Historian**

- **Stone House, Woodstock:** Devin and Dale attended an Act 250 hearing regarding the existing permit for the removal of the historic Stone House in Woodstock. The permittees were to have removed the building and paid a mitigation fee to the Division by December 1, 2016, but they are unable to meet that deadline. They requested a two-year extension to complete the project, but at the hearing the Commission proposed a one-year extension with specific benchmarks for the permittees to apply for their local permits and pay the mitigation fee incrementally. The mitigation funds will be used to hire a historic preservation consultant to update the National Register nomination for the Woodstock Village Historic District, which has not been revised since it was written in 1973.

### **Project Review**

- **Rochester:** On Friday Elizabeth met with staff from the Green Mountain National Forest (GMNF) and the local historical society to discuss options for the future of the CCC blacksmith shop near Rochester. GMNF will be including plans for interpretation of the structure in the Robinson Integrated Management Plan, which they are preparing this year. The blacksmith shop has been used as park storage for many years and will need modifications for either restoration or rehabilitation treatments.

### **HOUSING ♦ Arthur Hamlin, Housing Program Coordinator / Shaun Gilpin, Housing Policy Specialist**

- Progress on the feasibility work and cooperative organizing efforts at the Richford mobile home parks appear to be going well. Residents decided to create one cooperative corporation to purchase both parks and have obtained more than 50% membership. The board will be comprised of six residents, four from the larger park and two from the smaller park. Engineering studies and the appraisal are also underway.
- Dale and Arthur were contacted by a Legal Aid attorney who represents a mobile home park resident who is in the midst of an eviction brought by Shires Housing as park owner. The key issue in the case is

whether a park owner can start an eviction proceeding against a leaseholder for a substantial lease violation without first sending them a notice by certified mail of the grounds for eviction. Unfortunately, the statute language lacks clarity about when the advance notice is not required in certain situations, although the Housing Division Rules are very clear. Courts have interpreted the statute differently in different cases. In this case, the Bennington Superior Court decided that the statute does not require the advance notice, and that our Housing Division Rule requiring the advance notice is invalid. Legal Aid was successful in asking to have this brought forward to the Supreme Court to decide on this issue. If the Court decides that the advance notice is not required, it will invalidate that part of DHCD's Housing Division Rules. On the other hand, if the Supreme Court decides that the notice is required that would reinforce the Rules and gives much needed clarity to the situation. We feel that the notice is required, partly because not requiring it in context of the full statutory language doesn't make any sense, and because not requiring it would give less protection to mobile home owners than tenants under the landlord-tenant law. Dale provided our thoughts to the legal aid attorney, but it does not seem necessary for us to get involved any further.

### **CHIEF MARKETING OFFICE ♦ HEATHER PELHAM, CHIEF MARKETING OFFICER**

- **Economic Development Marketing:** With the very welcome addition of Pam Mackenzie to the economic development marketing team, implementation has taken center stage this week. Content development on the 'why Vermont' portal continues, thanks to Sky, Mary, Shelley and Ian, with the very critical key industries, major employers and newsroom pages taking final shape. Integration of the new Site Locator tool is also a priority, with an emphasis on how dynamic data can be pulled from specific search parameters and displayed (and restyled) elsewhere on the site. Suggestions on styling of the tool itself have also been provided to the developers for better user-experience and brand consistency. As DED will be a sponsor at the World Cup event at Killington over Thanksgiving weekend, the EDM team has been brainstorming and charting next steps on how we can make our booth memorable with possible giveaways of Vermont products and VT winter sports celebrities.

To address the broader issues of implementation, Heather has been working with Pam to craft a new RFP for the earned and owned media portions of the economic development marketing plan. A brisk timeline has been set so the RFP can be issued and responses received in time for a recommendation to be made for the next Administration to act on.

### **VT CENTER FOR GEOGRAPHIC INFORMATION (VCGI) ♦ JOHN E. ADAMS, DIRECTOR**

- **Act 174 Renewable Energy Planning Standards:** Given the expected high demand for GIS data sets that are related to Act 174, VCGI has created a web page that links to GIS data sets that have been identified as resources for Energy Planning per standards for energy plans to be submitted to the Department of Public Service. VCGI is working with ANR, VAAF, and Bennington County Regional Commission (BCRC) to identify the GIS data sets to be linked on the web page and the protocols/formats for serving those data sets. VCGI is also working on highlighting the Act 174 GIS data sets on the beta new Open GeoData Portal.
- **Public Safety:** Ivan assisted the Department of Public Safety (DPS) with a public records request related to deliverables from a contractor, AppGeo, for geographic delineation of FirstNet phase areas per analysis. While VCGI did help DPS with developing the RFP back in 2015, VCGI has not been involved with tasks related to the delivered products. DPS is not aware if metadata was included with the delivered GIS data and without the metadata VCGI is limited in information they can provide.

## **COMMUNICATIONS ♦ Philip Tortora, Director of Communications**

- **Ski Vermont Media Events:** Attended a media event in Montreal last week. It was smaller in turnout compared to the Toronto and New York City media events, but nonetheless, presented us with an opportunity to connect with new contacts about potential coverage and add to our PR distribution list.

Will be attending Ski Vermont's Boston media events this Thursday with Commissioner Smith. Media turnout is expected to be significant and we will recap upon our return.

- **Media Correspondence:** Have provided Vermont tourism information, photos and freelance photographer contact information to writers at *Boston Globe Magazine* for their proposed upcoming pieces covering Vermont's ski resorts, high-end spas and a feature on Manchester.

Also, provided some ski industry employment information to *Vermont Digger*, and information and a quote from Commissioner Smith to a *Burlington Free Press* correspondent who is doing a piece on the Clemmons Family Farm in Charlotte, which was recently added to Vermont's African American Heritage Trail.

## **MARKETING & DESIGN ♦ David Burnell, Marketing Coordinator**

- **Ad Development | World Cup Sponsorship Ad:** As part of VDTM's sponsorship we were offered space for a full-page ad in the Audi Fis Ski World Cup program. Vermont Tourism took this opportunity to thank the athletes and invite them to find more world class skiing and riding at VermontVacation.com.



## **VERMONT LIFE ♦ Mary Hegarty Nowlan, Editor/Sky Barsch, Associate Publisher**

- **Advertising:** Chris McGee spent the week working Burlington-area clients and prospects, resulting in closing over \$15,000 in renewal business for 2017. Also, began dialogue with several large regional prospects including Casella, Subaru of New England and Hannaford's, and a law firm out of Lebanon, N.H. We've contacted all 30 clients up for renewal and will continue to focus on these renewals as well as new business opportunities for Spring and all of 2017.

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[All Insurance] 800-964-1784  
[Securities] 877-550-3907  
[Banking] 888-568-4547

**CONFIDENTIAL and PRIVILEGED**

**To: The Honorable Peter Shumlin, Governor**  
**From: Michael S. Pieciak, Commissioner, Department of Financial Regulation**  
**Date: November 10, 2016**  
**Re: Weekly Report**



**Captive Insurance:**

**European Captive Forum:** The state of Vermont has been named the top “Non-European Union Captive Domicile of the Year” by the European Captive Forum. The award was presented to Deputy Commissioner David Provost at the European Captive Services awards ceremony in Luxembourg on Monday. The judges said that Vermont “outperformed their competitors and demonstrated the highest levels of excellence” in serving the European captive insurance marketplace. This was an excellent opportunity for Dave to make new contacts with companies interested in forming captives here in Vermont and reconnect with the 60 existing Vermont captives with European parents.

**Insurance Division:**

**Planned Expansion:** Wake Robin has begun an expansion project that will include renovations and additions to existing buildings as well as new construction. In addition to updating the facilities, there will be 38 new independent living apartments, 10 new residential care units, and six new skilled nursing units. The key objectives of the project are to improve common and amenity spaces; modernize and de-institutionalize existing facilities; improve the dining program; improve and expand wellness and fitness programs; and enhance financial performance. Construction is expected to begin in April of 2017. Before construction can begin, Wake Robin will need to obtain a certificate of need approval from the Green Mountain Care Board related to the skilled nursing units, obtain approval from the Vermont Economic Development Authority, and obtain an amended certificate of authority (COA) from DFR approving financing of the project. An amended COA that will allow Wake Robin to begin accepting deposits on the new apartments has already been approved by the Department.





**Privileged and Confidential**

**MEMORANDUM**

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To: The Honorable Peter Shumlin, Governor  
Sarah London, General Counsel

From: Christopher Recchia, Commissioner

Date: November 11, 2016

Subject: Weekly Report

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**Governor Level Issues:**

**Status of Priorities and Cases of Interest:**

**VGS Rate and Alt Reg Filings – Docket Nos. 8710 & 8698**

On October 31, the Department filed surrebuttal testimony from our three direct witnesses – Schultz, White, Baudino, and a new witness Brian Winn. The testimony focused on the prudence issue, and largely maintained the status quo. Discovery was served on the Department on November 8. No discovery was promulgated by the other intervenors (AARP and CLF). Separately, the Company reached out to the Department to inquire whether the Department is interested in initiating settlement discussions around a proposal to put a multi-year rate plan in place. Given the company’s initial position, it remains to be seen if this will be a productive path forward that is in the long-term interest of VGS customers.

Entergy Vermont Yankee – Announcement on Tuesday sparked interest and actually sets us up to address site restoration standards and the transaction simultaneously, which was our (joint) preferred path. Internal discussions with ANR, DOH and AGO lead us to the conclusion that if Entergy and Northstar do not file as planned by December 15, we will initiate a request with the Board to open a docket on site restoration standards. NDCAP has added a December 1<sup>st</sup> meeting to hear from Northstar, Areva and WCS about the proposed project.

**Meetings This Week:**

Nov 07 –  
Nov 08 – Meeting with FairPoint,  
Nov 09 – CEFC meeting, VGS Meeting, EAN Check-in,  
Nov 10 – Alternative Regulation Discussion with AARP  
Nov 11 – Holiday

**Meetings Next Week:**

Nov 14 – NECPUC Board meeting, NARUC  
Nov 15 –  
Nov 16 –  
Nov 17 – Mary Powell meeting, Act 174 meeting, NDCAP meeting  
Nov 18 – VPA Fall Conference

**Media:** Mike Faher on NDCAP and VY, Press Release on Siting Standards, Various media on VY announcement; AP (Dave Gram) on VY, Wind, E-911

**Public Official Contacts:** None

**Everything Else:*****PERD*****Act 174 / RPC Planning**

- Act 174
  - Endless editing and reorganization of Guidance Document
  - Tabulated currently permitted Solar and Wind MW by town for use in GIS layer analysis that will be used to determine allocation shares to be used to satisfy the Mapping section of the Determination Standards.
  - Finalized and released standards 11/1, including annotated and abridged versions, overview document, and recommendations, along with press release. Sent it out to large energy stakeholder list.
  - Presented on standards to VLCT's planning & zoning forum 11/2. Participants were less than enthusiastic about the standards, at least based on the Q&A.
  - Had many discussions with pilot regions, once they finally sat down to read the final standards, about how/whether their plans would meet the standards (and if not, what kind of modifications would need to be made).
  - Received request from pilot regions for additional funding (\$3K/apiece) to support revised mapping to comply with the analysis standards.
  - Met with Brian Fitzgerald (formerly of ANR, now on CVRPC board) to discuss hydro in draft pilot regional plans.

**Heat Saver Loan/Thermal Energy Finance Pilot**

- Finalized metrics for the program through September 2016.
- Continued working on edits to the pilot program report; incorporated inputs from staff and resubmitted revised draft; on track to present to partners next week.

- Refined information on income eligibility to add to the HSL website in conjunction with program partners.
- Met with VEIC staff working on the new Energy Loan program to consider options for how the Heat Saver Loan can port over to the new program. Staff discussed issues related to timelines, interest rates, interest rate buydown models, equipment eligibility and funding requirements, reporting, how to retain ease of use, and ways to include “non-program eligible” equipment such as solar PV. All these details will need to be finalized to transition the loan program. Both sides agreed that once the USDA documents are completed, and the new commercial program is under way (the first priority), staff will work together to cement the details for the residential transition. In the meantime, VEIC agreed to submit modeled expense requirements to help DPS anticipate the costs for maintaining the program into the future. Staff will also begin drafting up extensions to the current grant agreements with the two credit unions to ensure that the program continues into 2017.

#### Clean Energy Development Fund

- Received a letter from SEON announcing their intent to cancel the Windham Wood Heat grant. They, together with the Windham Regional Commission as well as other stakeholders, propose to transition the administration of the grant and initiative to the Windham Commission.
- Clean Energy Industry Report – Coordinated with staff from DOL and ACCD who have worked on the report in the past. Both staff members agreed to check with their respective leadership to ascertain the level of interest in having their staff assist with this year’s report again.
- Discussions with Air Quality Division regarding the Stove Change Out incentive to be incorporated into the SSREIP. Participated in a call with representatives of the national hearth and patio trade association of which most wood stove retail shops are members. Reviewed & edited forms and discussed process with SSREIP contract administrators on program.
- Participated in a CESA webinar presenting on Vermont’s Community Solar Interest Rate Buy-down program we administered with DOE SunShot funds sub-granted by CESA as part of a regional Sun-shot roof-top solar challenge.
- Discussed with State Wood Energy Team members how to further promote the use of low-grade wood for heating, given the recent news about the crisis in the logging industry over the low-grade wood market collapse.
- Worked with US Forest Service technical assistance (Wilson Engineering) to provide guidance to the engineering firm commissioning the new wood chip heating system at Barre Elementary School. The school was having issue with some of the monitoring software and meters installed that were installed primarily as a result of CEDF grant conditions.

#### Climate Cabinet

- Attended meeting of the Climate Cabinet staff to work on organizing information from all the participating departments/agencies for the state climate website. PSD will be contributing information about energy specifically renewables and energy efficiency to

the site. Staff were assigned to generate the text on a very quick timeline, to have the website completed by December.

#### Standard Offer Program

- Reviewed other parties' responses to Board request for comment re: integrating "Preferred Locations" pilot into 2017 RFP process. Comments were submitted by GMP, BED, VPPSA, and Allco.

#### Power Supply

- IRP – Met with VGS to discuss integrating energy efficiency into their upcoming IRP. They propose 3 scenarios based on the price differential between natural gas and oil. Staff is in the process of making recommendations around appropriate modeling assumptions for these scenarios as well as proposing additional potential scenarios.
  - VGS has proposed delaying completion of their IRP until 3 months after the conclusion of their current rate case. The IRP was already delayed a year in hopes that the rate case would be done by December, 2016, so this is consistent with previous delays.

#### Dockets and 248 Review

- Docket 8794 – GMP innovative services – Staff participated in internal meeting where high-level concerns with the program were identified and discussed including consumer disclosures, competitive access to the bill, rate-base incentive, fund accounting for administrative expenses (to avoid cross-subsidy from non-participating customers), and corrections to their assumptions underlying a savings calculator for customers. Also in this docket, staff prepared a second round of discovery served on GMP on Friday.

#### ***Regional***

##### Allco Injunction in Connecticut

- As a result of joint RFP, Connecticut, Massachusetts, and Rhode Island had announced that they would collectively contract with almost 400 MW of renewable resources. On November 2, the Second Circuit Court of Appeals granted Allco Renewable Energy's request for an injunction to prevent Connecticut from signing any of the contracts, as Connecticut was specifically identifying which resources its utilities must enter into contracts with. Allco had argued that such an action by a state violates the Federal Power Act and PURPA.
- The Second Circuit will hear oral argument on the matter in early December. The schedule for the joint RFP would have had the contracts submitted for regulatory approval by March 2017; it's unclear the impact the injunction will have on the contracting timeline.

##### Allco Petition for Enforcement at FERC

- On November 4, Otter Creek Solar/Allco Finance filed a petition requesting that FERC find that Vermont's Rule 4.100 and standard offer programs are consistent with PURPA.

- The Public Service Board is responsible for submitting comments (due November 25), and the DPS will coordinate with the PSB and may submit additional, higher level comments that focus on underlying policy.

#### States Meeting with ISO Board and NEPOOL Sectors

- On November 4, New England States collectively met with the ISO-NE Board of Directors and each of the six NEPOOL sectors.
- With the ISO-NE Board, states discussed the following:
  - Order 1000 and public policies. The states made clear to ISO that states needed to maintain control over the identification of state policies driving the need for transmission. ISO-NE highlighted the need for a full evaluation of the interconnection impacts of transmission projects selected to further public policy. In particular, ISO-NE stated that the Minimum Interconnection Standard required by FERC evaluates only whether a transmission project can interconnect reliably, not whether the full amount of power on the other side of the line can be transmitted.
  - Transmission costs. States raised concerns regarding the cost of transmission in New England relative to other areas of the country. ISO-NE responded that it was modifying one of its planning procedures to be more in line with national standards, which will have the effect of relieving stress on base case scenarios for transmission studies and therefore likely reduce the need for transmission for reliability purposes. However, ISO-NE further stated that the retirement of any of the major “anchor” generation resources (most notably the Millstone and Seabrook nuclear stations) would likely require significant transmission upgrades to maintain reliability.
  - Integrating Markets and Public Policies. States made clear to ISO-NE that there is no regional carbon reduction requirement (as compared to aspirational goals), and that any proposal that includes a carbon price in the energy and capacity markets would not be acceptable to the states. ISO-NE responded that, absent a carbon price, it does not see a good long-term solution to integrating markets and public policies. Connecticut’s response was that the existing markets therefore may not be viable. ISO-NE stated that it would like to have a pause on the IMAPP process to give it time to figure out what approach it would like to take.
- NEPOOL’s Transmission Sector addressed the following issues:
  - Natural Gas Infrastructure. The Transmission Owners raised concerns regarding the cost and reliability implications of insufficient natural gas infrastructure in the region. The Transmission Owners stated that, even with a warm winter this past year, there were still price spikes during the colder periods, even though these spikes were relatively small compared to recent years. The suggested implication is that price indicators are showing shortages and another very cold winter could have impacts on reliability in addition to cost. The Transmission Owners also suggested that ISO-NE’s idea to use the capacity market to send price signals for new capacity was unlikely to work as gas pipelines required long-term contracts

and most merchant generators had poor credit ratings and would have trouble financing long-term capacity (this discussion neglected to mention that gas storage could be an alternative to increased gas pipelines). The Transmission Owners stated that natural gas distribution companies would likely over-procure gas capacity and sell the excess to generators (many of the Transmission Owners have gas distribution subsidiaries).

- Integrating Markets and Public Policies. Transmission Owners generally supported finding a solution to the issues, but did not have any particular recommended solutions. There was a general consensus that ISO-NE should clarify how it intends to treat imports from Quebec with respect to Forward Capacity Market mitigation rules. The Transmission Owners also suggested that, if states work together on a transmission project to access Canadian hydro or Maine wind, states require that any transmission be reviewed under the full interconnection process rather than the Minimum Interconnection Standard.
- Competition in Transmission Planning. States have previously raised concerns that the process in New England stifles competition on reliability projects; any project with a need of three years or less does not need to go through a competitive planning process and ISO-NE's studies rarely identify any need greater than three years. The Transmission Owners suggested that states let a competitive planning process play out in New England before suggesting changes to the process.
- NEPOOL's Alternative Resources Sector addressed the following issues:
  - Integrating Markets and Public Policies. Demand response and energy efficiency providers noted that 100% of their revenue comes from the Forward Capacity Market and that any changes that distorted prices in the FCM could significantly undermine the economics for these resources. Wind resources noted that they receive relatively little revenues from the capacity market, and further that some of the wind resources are able to clear in the capacity market without requiring exemptions from market mitigation rules.
  - ISO-NE Structural Issues. One NEPOOL participant noted that ISO-NE is appearing to be resistant to any changes to the energy industry; in particular, ISO-NE's planning process and market rules are not fully accounting for significant changes on the distribution level. Additionally, it was noted that there is a lack of representation by distributed generation and storage providers in the NEPOOL stakeholder process, and these industries typically rely on states to argue for their interests.
- NEPOOL's Public Power Sector addressed the following issues:
  - Integrating Markets and Public Policies. Members of the sector expressed concern with the idea that most of the proposals assume that there is a regional need for carbon reduction, and also that the proposals discussed thus far would weaken the authority of the states to control clean energy policies. The sector is working on a proposal that would allow electric utilities to contract for capacity

directly and provide for a residual capacity market to ensure that capacity requirements are met.

- NEPOOL's Supplier Sector addressed the following issues:
  - Integrating Public Policies and Markets. The supplier sector seems adamant that states should change their public policies to be consistent with the wholesale markets and that the states need education on this issue. Additionally, many participants in the sector appear to support ISO-NE taking a larger role in driving the process forward.

#### New England Transmission Return on Equity Complaint

- On November 8, FERC held a settlement conference in the most recent complaint against the New England Transmission Owners' ROE. The complaint was filed by several consumer oriented groups, and the DPS has intervened.
- It's unlikely that there will be a settlement.

#### Renewable Energy Credit Tracking

- The PSB asked NEPOOL to modify its Generator Information System to track Vermont Renewable Energy Standard compliance. The changes necessary are expected to be minor and should be in place in time for implementation of the RES.
- There was a question by one NEPOOL participant as to whether the changes involved import provisions of the GIS rules. NEPOOL counsel indicated that the import rules were not being changed.

#### ***Engineering***

##### Update on VY Groundwater Management Issues

As of 11/3, approximately 373,000 gallons of intrusion water have been shipped offsite. Weekly intrusion water shipments continue. VY continues to evaluate the effectiveness of the recently-completed efforts to reseal the Seismic Gap between the Reactor and Turbine Buildings, which should significantly reduce the rate of daily water intrusions into these buildings.

##### Second VY Independent Spent Fuel Storage Installation (ISFSI) Construction Activities

VY continues to assemble components for six additional spent fuel dry storage casks that began arriving onsite over the weekend of 10/30. High density concrete pours for these dry casks were completed on 11/4. Installation of dry cask internal components continues. There are now 12 empty dry casks staged on the existing ISFSI, along with 13 casks containing spent fuel from previous dry cask loading campaigns. Demolition of the west ramp for the existing ISFSI continues. VY has also begun disassembling the 150 kW Security Diesel Generator now that the new 200 kW Security Diesel Generator is fully operational.

##### State Nuclear Engineer Attends Regional Radioactive Waste Transportation Planning Meeting

On 11/3 and 11/4, the State Nuclear Engineer attended the Northeast Regional Council of State Governments High Level Radioactive Waste Transportation Task Force Meeting. The Task Force received reports from the Department of Energy regarding: modeling methods for radioactive waste transportation cask survivability following severe transit accidents (including

engulfing fires), the next steps for siting a national High Level Rad-Waste Repository, and the robotic internal inspection of several loaded Spent Fuel dry casks at the former Maine Yankee nuclear power plant site. Preliminary plans for an August 2017 meeting to engage policy makers from several northeastern states regarding the Task Force's work were also discussed.

#### Vermont Gas Systems Transmission Pipeline Construction Projects

VGS contractors performed several pipeline construction and analysis activities related to the ANGP and the Phase VII looping projects as they near completion. Electric power is being installed to enable control and monitoring functions for the projects. Temporary pressure reduction facilities are currently being utilized until completion of preparations to operate a replacement gate station in Georgia. Grass seeding and other clean-up work continued in the Phase VII and ANGP ROW.

#### ***Public Advocacy***

##### Coolidge Solar 20 MW facility in Ludlow - Docket 8685

The deadline for non-petitioner surrebuttal testimony is November 18<sup>th</sup>. Bill Jordan intends to draft testimony addressing the station controller and PSD review of the SIS as a post-CPG filing. Ed McNamara intends to draft testimony addressing the minimum interconnection issue. Mark Kane intends to provide further testimony that supports the additional aesthetic mitigation offered by the petitioner. As of now, the PSD does not anticipate filing additional testimony on need, economic benefit, or compliance with the CEP criteria.

##### Otter Valley Solar in Pittsford – Docket 8770

Petitioner filed supplemental testimony and exhibits addressing its revised interconnection application; mitigation plantings plan; archaeological work; letter of credit; and municipal screening ordinances. The second round of discovery on Petitioner is due by November 17<sup>th</sup>.

##### TDI New England Clean Power Link Project – Docket 8400

TDI filed ISO-NE's section I.3.9 determination that the project will not have a significant adverse effect on the reliability or operating characteristics of the transmission owner's transmission facilities, the transmission facilities of another transmission owner or the system of a market participant. Additionally, TDI requested the PSB grant protective treatment to the SIS and made corresponding filings. PSD staff can access the SIS through the ISO's web portal or by providing the requisite documentation including acknowledging CEII clearance with the ISO. Under the provisions of the MOU, the CPG is conditioned upon Board review of the I.3.9 and SIS as a post-CPG compliance filing, subject to review and comment by the PSD, GMP, VELCO, and BED regarding ongoing section 248(b)(3) compliance, or whether any identified subtransmission or transmission system upgrades require further review and/or approval by the PSB. The MOU does not dictate the timeframe for the PSD review and comment.

##### VGS Addison Expansion –Notice of Probable Violations-Docket 8814

A NOPV regarding Vermont Gas's construction practices where electric transmission lines are present was transmitted to VGS on August 8. The NOPV alleges that Vermont Gas failed to follow its own Specifications in this regard. After filing a preliminary response with the Board, Vermont Gas entered into extensive negotiations with the Department, which have resulted in an MOU which was filed on November 9 with the Board. In the MOU, Vermont Gas makes a very

general admission of liability, commits to pay a civil penalty of \$95,000 and agrees to certain remedial actions. Board approval of the MOU is necessary.

In connection with the NOPV, 350.org and some of the other opposition groups filed a voluminous petition with PHMSA on October 17<sup>th</sup> requesting emergency intervention by PHMSA due to the inaction and ineffective supervision of the Department with respect to pipeline construction. PHMSA requested a response to the petition from the Department. Engineering, together with the PA division and the Commissioner, prepared and transmitted a response on October 28. The Department was advised of a possibility that PHMSA might travel to Vermont to inspect the ANGP, but there is no immediate indication that will happen.

#### VGS-Act 250 jurisdictional inquiry re: Vermont Gas's Addison Facilities-no docket

On August 15, Jim Dumont presented to the Rutland office of the Natural Resources Board a Request for a Jurisdiction Opinion regarding the necessity of a Land Use Permit for the Addison Natural Gas Project and/or portions thereof. The District Coordinator directed the Request to Vermont Gas, the Department, the Board and ANR. On September 20, the Department and VGS filed comments supporting the Board's jurisdiction; ANR and the Board did not submit comments. On October 3, Mr. Dumont submitted a Reply to VGS's comments. His Reply asked the District Coordinator to issue a ruling on some of the facilities and indicated that he was going to file a petition with the Board asking it to reconsider the issue of its own jurisdiction with respect to the transmission portion of the Project. On October 7, the District Coordinator advised Mr. Dumont and the parties that, based upon Mr. Dumont's October 3 filing, he was disinclined to issue the partial ruling that was now being requested. In response, on October 27, Mr. Dumont advised the District Coordinator that he agreed with the proposal to defer a Jurisdictional Opinion until after the Board has ruled. Mr. Dumont further advised that he would be submitting a petition to the Board on this matter within 10 days, which will be November 14.

#### VGS-Town of Hinesburg condemnation-Docket 8643

This parcel is in a park owned by the Town. The Board issued an order on September 13 granting the condemnation petition, but significantly revising the requested Easement Deed based upon the Revised Stipulation with the Town and the live testimony at the technical hearing. The Resident Intervenors filed a Motion to Reconsider with the Board on September 27, together with a Notice of Appeal to the Supreme Court. On November 3, the Board issued an Order denying the Motion to Reconsider and advising parties that November 3 would be treated as the date of the Notice of Appeal. On November 4, VGS filed a Motion to Lift the Statutory Stay with the Vermont Supreme Court. The Resident Intervenors have advised the Court that they intend to oppose the Motion to Lift and requested that they have until November 14 to respond. This is the last parcel in the Addison Expansion Project, and construction is suspended.

#### GMP-St. Albans Community Digester-Docket 8673

800 kW methane biodigester generation facility to be constructed in St. Albans. After several months of no activity, on September 28, GMP submitted a revised proposal, which Department staff reviewed. On October 25, the Department submitted to GMP a series of questions regarding the cost of the Project. These questions were sent informally and there is no due date for responses. To date, there has been no response to the Department's questions. On November

8, GMP committed to deliver a revised term sheet to the Department for review, together with responses to the outstanding questions. The schedule remains suspended.

#### Triland Williamstown Solar Project-Docket 8666

Petition to construct a solar electric generation facility of up to 2.2 MW off George Road in Williamstown. On June 17, the Department and ANR jointly submitted a request to the Board to open an investigation into alleged pre-CPG activity at the Project site. The Board took no action on this request, but on September 28, the hearing officer requested that the parties submit a status update and advise if ANR still thinks an investigation is warranted. On October 19, the Department, together with ANR, submitted a Motion for an Order to Show Cause why this conduct is not in violation of Section 248; a supporting legal memorandum was submitted with the Motion. Triland filed a status report on October 19, together with supplemental testimony. On October 20, Triland filed a Response to the Motion to Show Cause, requesting that it be denied and a status conference convened. On November 4, ANR and the Department filed a joint reply to Triland's October 20 Response.

#### DigSafe violation-Eustis Cable and Comcast-Docket 8854

In response to a June 2016 NOPV issued by the Department to Eustis regarding damage to Comcast's facilities, Eustis has denied wrongdoing and requested a hearing. The Board has issued notice that a technical hearing will be held on November 21. The Department is meeting internally and with Comcast, the utility whose facilities were damaged, to discuss how best to put forward its case. Additionally, Comcast is speaking separately with Eustis urging it to settle the matter.

#### GMP Hydro Acquisition – Docket No. 8827

GMP has proposed to acquire 4 Vermont and 10 non-Vermont dams from Enel. This docket is a request for a CPG for the 10 non-Vermont dams. A schedule was issued last week. Discovery is due on November 9.

#### GMP Alt Reg – No Docket

Staff has scheduled a meeting with AARP for November 10 to discuss GMP's alternative regulation plan in advance of GMP's request to extend it by a year. This meeting was agreed to at the end of this year's base rates proceeding.

#### Boltonville Rule 4.100 Contract – Docket No. 8841

The Board has asked for comments on a 1-year PPA at Docket No. 8010 rates for the 1.3MW Boltonville hydro facility. Staff asked for a hearing on the topic, noting that the contract is pursuant to the old rule, and not the new rule effective September 15.

#### Permanent Wind Noise Rulemaking – No Docket

The Board granted the Department's request to postpone the November 7 workshop to discuss proposed rules, in favor of a November 16 deadline for an additional round of comments in advance of a December 2 workshop date. The Department hopes that the additional round of comments will help to identify areas of common agreement among the parties and further focus the scope of issues discussed at the workshop. The Department's acoustics and health-based experts will attend the workshop.

#### Swanton Wind § 248 Petition – Docket 8816

The Board has yet to issue a prehearing conference memo and/or schedule in the proceeding. The Department and Swanton Wind proposed competing schedules to the Board. The Department's schedule calls for discovery to commence in February 2017 to allow sufficient time for motion practice around the related Rule 4.100 contract for the contract (see below). All other parties and known potential intervenors support the Department's schedule. SW's proposed schedule is more aggressive than the Department's. SW also filed a response to Christine and Dustin Lang's motion for intervention, arguing that the couple have not established a particularized interest in the outcome of the proceeding, and that intervention should be limited to some relatively minor § 248 criteria. The Department is evaluating its response.

#### Swanton Wind Rule 4.100 PPA – Docket 8571

GMP filed a consolidated motion to dismiss roughly a dozen pending petitions seeking Board approval of Rule 4.100 contracts under the terms of the old Rule 4.100 – including the Swanton contract – arguing that no enforceable obligations were formed prior to the effective date of the new Rule 4.100 and no rights have vested for the same reason, and Vermont case law applies an exemption to the vested rights doctrine when a superseding ordinance is pending at the time a petitioner files, as was the case in Swanton. The Hearing Officer is holding a status conference in the proceeding on November 10. The Department expects that a schedule will be established for motion practice in response to the GMP motion. BED and VEC support the GMP motion and the Department expects to support the motion as well.

#### GMCW Noise Investigation – Docket 8613

The Hearing Officer issued a report and recommendation to the Board concluding that under the terms of the project's CPG and sound monitoring protocol, GMCW should be ordered to offer attenuation testing at the McLane residence. The Hearing Officer found that GMCW's own compliance monitoring during the first year showed evidence of sound levels at the McLane residence that should have triggered the offer to conduct attenuation testing. Comments from the parties regarding the report and recommendation are due to the Hearing Officer by November 14.

#### GMCW Icing Investigation – Docket 8734

GMCW filed a motion for reconsideration of the Board's order finding that GMCW operated the facility under icing conditions in violation of the CPG and winter operating protocol on two occasions in March 2016. GMCW and the Department jointly recommended that the Hearing Officer hold off on establishing a schedule for the penalty phase of the proceeding until the motion for reconsideration is ruled upon.

#### VEC 2016-2035 IRP – Docket No 8672

The PSB approved VEC's IRP and accepted the PSD, VEIC, and VEC MOU in its entirety. By November 15, 2016, VEC is required to file a quantitative analysis of the cost and effectiveness of its vegetation management program for a determination of whether a shorter trimming cycle and/or changes to the danger/hazard tree program are appropriate. VEC's next IRP is required to be filed by July 19, 2019.

Petition of Robert Garthwaite to Revoke CPG #NM-1771 – Docket 8774

This case involves a complaint that the holder of the CPG, David Blittersdorf, did not construct the turbines in accordance with the CPG application. Mr. Blittersdorf is required to submit a supplemental affidavit that is fully responsive to the Board’s previous inquiries by November 23<sup>rd</sup>. Parties are required to submit procedural recommendations to the Board by November 14<sup>th</sup>. Discovery will begin following the filing of the affidavit. A site visit will be held on December 15<sup>th</sup>.

Petition of Morrisville Water and Light Department for a Declaratory Order Interpreting the Meaning of “first-come, first-served” in 30 V.S.A. § 219a(h)(1)(A) – Docket 8756

On November 3<sup>rd</sup>, the Board issued an Order approving the Stipulation between Morrisville and the Department regarding how Morrisville will apply the “first-come, first-served” standard for net-metering in its service territory. Under the Stipulation, going forward Morrisville will use the date of the filing of a project’s interconnection application to determine allocation of net-metering capacity. For projects to be constructed by Morrisville (which as a utility does not file an interconnection application) the governing date will be the date of the filing of a net-metering certificate of public good application with the Board.

Otter Creek 4.99 MW Solar in Rutland – Docket 8797

This is one of five dockets in which PSD and ANR jointly filed a motion for an order to show cause, along with a memorandum in support of the motion. On November 3<sup>rd</sup>, the Board issued a Procedural Order requiring parties to submit legal briefs by November 28<sup>th</sup>, addressing the Petitioner’s assertion that Otter Creek has legal authority to clear the land, as well as the principal issue raised in the Show Cause Order: whether the conduct of a third party landowner can constitute “site preparation or construction” within the meaning of Section 248(a)(2). Reply briefs are due on December 5<sup>th</sup>.

Otter Creek 2.2 MW Solar in Rutland – Docket 8798

This is one of five dockets in which PSD and ANR jointly filed a motion for an order to show cause, along with a memorandum in support of the motion. On November 3<sup>rd</sup>, the Board issued a Procedural Order requiring parties to submit legal briefs by November 28<sup>th</sup>, addressing the Petitioner’s assertion that Otter Creek has legal authority to clear the land, as well as the principal issue raised in the Show Cause Order: whether the conduct of a third party landowner can constitute “site preparation or construction” within the meaning of Section 248(a)(2). Reply briefs are due on December 5<sup>th</sup>.

VEC Special Contract with Richard and Sherry Pion – Special Contract No. 1016

VEC has requested approval of a contract with the Pions as part of its Tier 3 Clean Air Program. The contract will enable the Pions, who own residential property in Lowell, to replace fossil fuel generators with electric services that will require up to 250 kVA of capacity. In order to supply service, VEC needs to construct a 1,600 foot single-phase line and a transformer. The Department’s recommendation is due on November 21<sup>st</sup>.

***Telecommunications***

ECFiber 2015 Grant Project

ECFiber is behind schedule on its Royalton Connectivity grant project. ECFiber reports that in order to complete the project, it needs to cross the railroad along North Windsor. Division staff contacted the rail section at VTrans to verify that a rail crossing permit is pending and to get an update as to when it will be approved.

#### Peacham Connectivity Meeting

The Division is scheduling a meeting with an informal broadband committee in Peacham. The purpose of the meeting is to provide residents with information on existing broadband service. A preliminary view of the Peacham data shows that a significant number of locations are underserved.

#### Eustis Contract Amendment

The Division inherited a construction contract from the VTA. The Contract expired in January. The Department received approval from the Secretary of Administration for the Division's contract amendment. With the amendment in place, the Department will be able to finish the Central Greens project in two to three weeks. Division staff anticipate that the project will be completed before the end of the year.

#### VELCO Interconnection

To complete the Central Greens project, the Department will rely on an interconnection agreement with VELCO, in which the Division will lease fiber from Royalton to Rochester. The Central Greens fiber will interconnect with VELCO's fiber in Royalton, Stockbridge and Rochester. The Royalton interconnection needs to be completed and will be made at GMP's substation in Royalton. GMP has asked that the conduit be laid. Staff is coordinating with Sovernet and Eustis to ensure that all work can be done at the same time. The project is still awaiting approval of a highway permit construction permit.

#### Vanu Bose Meeting

Staff met with the CEO of Vanu, Incorporated and Vanu CoverageCo Inc. Vanu CoverageCo is seeking \$400,000 of new investment in the project. Vanu's CEO informed staff that he hopes to find local investment. The CEO informed staff that the investment is necessary to provide the company with the capital necessary to become EBITDA positive. If the company does not become profitable by the first of the year, it will likely declare bankruptcy. If this happens, the project will likely fail. The company also met last week with the owners of the Sugarbush Resort in an attempt to secure local investment.

#### Comcast CPG Renewal (Docket 8301)

Comcast's CPG renewal docket has already proceeded through technical hearings and briefing. However, the Board issued an order requiring that Comcast comment on Dig Safe violations that occurred over the past two years. Comcast filed their response to the Board on October 28, which, in part, indicated that some information in Dig Safe NOPVs issued by the Department was inaccurate. The Department must file a response to Comcast's comments by November 8. Telecom Division staff have forwarded Comcast's comments to the engineering division for review, and will make a filing based on feedback from the engineering division.

#### FairPoint Petition to Investigate 5903 Service Metrics - Docket 8701

FairPoint has petitioned the Board to allow it to modify its existing service quality metrics and reporting requirements. FairPoint is requesting that it be permitted to report on service quality only for addresses where its customers do not have access to an alternate landline provider. FairPoint is also requesting that the Board modify the troubles cleared metric so that it is measured at 48 hours instead of 24 hours. The Department submitted its prefiled testimony on October 20 and FairPoint served discovery requests on the Department on October 28. The Department is finalizing its responses to FairPoint's first set of discovery responses, which are due by November 8. The Department is also planning to meet with FairPoint on November 8 to discuss potential settlement options. At this point, any settlement agreement appears unlikely. The Department has already advised FairPoint that it is unwilling to walk back any of its recommendations, which include automatic \$5 bill credits for all outages that exceed 72 hours and a blanket penalty for failure to repair troubles for customers that FairPoint knows have medical conditions in a timely fashion (the Department's recommended that FairPoint be required to report a new metric that would measure troubles cleared for customers with medical conditions within 24 hours). FairPoint indicated that it would like to resolve some of these issues with an MOU rather than proceed to litigation, but the Department believes that it is unlikely that a settlement will be reached.

#### Verizon § 248a Petition for new tower in Waterbury Center (Docket 8601)

Verizon has had an application pending since last October for the installation of a new tower on a parcel of land located adjacent to the Stowe-Waterbury town line. The application is opposed by several groups of neighbors. The Town of Waterbury and ANR have also both intervened in the docket, and are seeking to have Verizon move the facility location. Attempts at a settlement for a change of the facility location have thus far failed. The Town of Waterbury served discovery requests on the Department which are directed at the Department's RF expert. The Department is reviewing those requests, and must provide a response by December 5.

#### E-911 Investigations (Dockets 8842 and 8850)

The Board has docketed two separate petitions that request an investigation into various issues related to the E-911 system.

Docket 8842 was opened after a petition was filed by Stephen Whitaker and Charles Larkin. The petition requests an investigation into several E-911 outages, but also requests that the Board review several other issues, including redesigns to the CoverageCo project overseen by the Connectivity Division, the Department's 10 year Telecommunications Plan, and battery backup for VoIP providers. The Board has requested that parties file comments by November 14 regarding the Board's subject matter jurisdiction over the project.

Docket 8850 was initiated by a Department petition. The Department is requesting that the Board investigate the circumstances which led a disruption of traffic to the E-911 network on January 5, 2016. The Department is also requesting that the Board investigate whether there are any changes that should be made to FairPoint's network design to reduce the risk of future disruptions of traffic to the E-911 network. The petition has been docketed and the Board intends to schedule a prehearing conference in the near future.

Telecom & Connectivity Transition Report: Connectivity staff finalized and submitted its

Transition Report, a report that will offer assistance to the next Administration, as they work to understand the current status of telecommunications in Vermont. This report will assist in the determination of the direction for future state telecom expansion efforts.

Connectivity Initiative Grant Round II: Staff has been working on the Request for Proposals for the second round of Connectivity Initiative grants for 2016. The RFP should be ready to be issued by November 14<sup>th</sup>. Connectivity Initiative grants are awarded to Internet service providers that agree to extend service to designated areas least likely to be served through the private sector or through federal programs.

#### Coverage Co extended coverage map

Staff received a preliminary statewide coverage map from Cov Co after fully reviewing this submittal, a response with a list of modifications is being generated. This will include a more refined map, currently the coverage map is rather ambiguous with 300-foot pixel resolution, coverage in some areas appear to extend out beyond five miles and there appears to be no coverage in the direct vicinity of several poles. Staff also discussed that if this coverage map will be published through the department's website it would be preferable to have accurate and up to date information. To accomplish this staff will request that the next iteration only show where coverage is currently, stable and will not be changing due to re-locations.

#### CoverageCo Project

Vanu CoverageCo is a company who was awarded the VTA and EDA Resiliency Projects to provide cellular service in unserved areas of Vermont.

#### Project Activities

In the past two weeks CoverageCo has commissioned 24 new EDA sites throughout Vermont. They are mainly in the Roxbury, Brighton to Canaan, and Wilmington to Whitingham and Readsboro areas. This raises the total number of commissioned EDA sites to 70 out of 165 sites planned including 8 of the planned 10 resiliency sites.

An invoice payment issue was resolved when CoverageCo paid their subcontractor for work relating to the invoice, thus, meeting the contract terms and the department could move forward with reimbursements to CoverageCo.

Work on commissioning sites in Strafford is delayed due to scheduled work by Fairpoint to move their lines to the top of poles on 5 sites. Fairpoint is only committing to do this in the next 3 weeks. The sites are already constructed so CoverageCo is standing by to do commissioning when Fairpoint completed the work.

#### Telecom Site Project

The department is investigating and creating a data base for all licenses and sublicenses for communication systems that have been issued for state owned property with the intent on finding out what revenues are being generated from those properties. Over 100 license documents have been reviewed and recorded in the data base. It is believed this may be about 50% of the effort required for this project.

#### ***CAPI***

Report period for October 30 to November 5, 2016

eCourt/ePSD – Staff practiced with new ePSD and found many problems. CAPI participated in the weekly conference call with the PSD, PSB and JTI and reported our concerns. CAPI will provide limited assistance with testing just recently planned for the week of November 14<sup>th</sup> and is likely to push back launch of the new database for its division into February 2017.

Herbicide Notice -- VELCO submitted the 2017 Herbicide notice for CAPI review. CAPI

recommended some language changes to clarify and reinforce consumer’s options and obligations. VELCO was receptive to our suggestions.

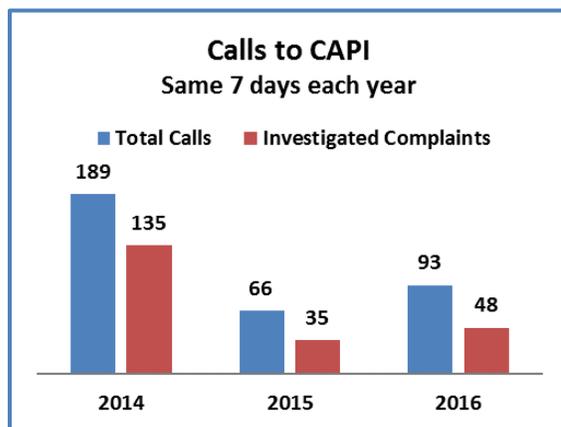
Lifeline – CAPI submitted a petition to the FCC with the support of Vermont’s DCF requesting a waiver to delay implementation of certain parts of the Modernization Order due to Vermont’s expanded eligibility.

CAPI Annual Fall Summit – CAPI is working on a temporary webpage for summit participants to access additional information including the PowerPoint presentations.

FairPoint #8701 – CAPI prepared responses to FairPoint’s discovery questions.

GMP Innovative Tariffs – CAPI drafted up some ideas relating to potential disclosures and consumer awareness points.

Net metering -- CAPI has reviewed revised net metering tariffs from GMP, BED, Stowe Electric, VEC and WEC. We have identified some concerns and inconsistencies among the utilities that we will raise with PA, including fees for customers to establish accounts and policies regarding credit transfers when a net metering system changes ownership. Staff also started its rule analysis review.



#### CASES OF THE WEEK

Uncertificated local phone provider -- A consumer called for help with a pending rate increase for local phone service. The provider is the management company for a resort that includes over 600 homes. The consumer is a representative of the resort homeowners’ association. Per the caller, local phone service has been provided by the resort management company for many years. The company bills individual homeowners for phone service on a bill that includes other services provided by the management company; phone charges are a per line flat fee, shown as a line item on the bill. The consumer additionally said that there are facilities in place for homeowners to get service directly from FairPoint (although it’s not clear if anyone does), which provides service to the resort. The consumer said that the management company wants to raise rates to help pay for upgrades that are needed, although it’s not clear if the rate increase amount has been determined yet. It appears that the management company does not have a CPG from the Board. CAPI is working with Telecom to find out if one is needed.

**Privileged and Confidential**  
**Memorandum**

**To:** Peter E. Shumlin, Governor  
**From:** Hal Cohen, Secretary, Agency of Human Services  
**Re:** AHS Weekly Report  
**Date:** November 10, 2016

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**Secretary Update:**

This week, I visited the Central Vermont BAART Program which is our medication assisted treatment center for opioid use disorders. They provide both methadone and buprenorphine daily. The head physician at the clinic also provides services to about 70 “spoke” patients. In all, they have about 500 patients and no waiting lists. Some of the barriers that they do face include, retaining and hiring new counselors, Cigna insurance will not pay for these services, and Medicare also does not pay for these services. Some of the patients have issues with transportation and over 50% are living in poverty with multiple barriers. That said, the BAART Program, which has 52 clinics nation-wide, seem to do an excellent job.

I attended the steering committee for the Women’s Health Initiative this week and we’re making real progress. We anticipate keeping to our timeline and beginning this program on January 1, 2017. This is an exciting initiative that will focus on screening women (particularly young women), for physical health, mental health, and substance abuse issues. The central part of this program is to provide long acting reversible contraceptives (LARC) which includes IUD’s and implants on demand. Our hope is that this will significantly reduce the number of unwanted pregnancies amongst both teens and adults. This will have a very positive, social, as well as financial impact on the state.

AHS staff, including Economic Services Division (ESD) and VocRehab, along with the grant partner representatives from DOL, Community Colleges of VT and the Community Actions Agencies, had a statewide conference on our Jobs for Independence project. DCF Commissioner, Ken Schatz and I opened the meeting. This multimillion dollar USDA grant is a study that includes a control group, one of which receives collaborative, integrated services that move people toward employment, while the other does not. The study targets people who receive SNAP benefits who have four significant barriers to securing employment: homelessness, substance use, mental health conditions and involvement in the correctional systems. After only seven months we are showing strong results. 51% of those referred to this program attend a Department of Labor, Jobs for Independence (JFI) orientation. Of those, 99% agree to participate in the program. So far, 343 participants assigned to the treatment group have attended their first appointment and 27% of them (95 people) have already attained employment. Another benefit of this program is that people are referred to many other services including, housing, substance abuse, mental health, vocational training, basic needs, etc. JFI also shows us the powerful potential that an innovative, integrated, and focused approach to complex challenges can have towards achieving the best possible outcomes.

## **Agency of Human Services Central Office (AHS CO):**

### **Refugee Program**

Tuesday, November 8, the State Refugee Coordinator (SRC) and the AHS contractor for in-person interpreter services, the Association of Africans Living in Vermont (AALV), conducted a two-hour training with thirty-three Rutland AHS District staff members on how to work with interpreters. The SRC was interviewed by Vermont Digger staff writer Adam Federman about the newly created Rutland Refugee and Immigrant Service Providers Network (RRISPNet), a group chaired by the SRC, and an article on that topic should be published sometime next week. The first RRISPNet meeting will be held at the Rutland Free Library on November 30th. The Deputy Secretary and members of the congressional delegation are expected to attend, as well as staff from USCRI, several AHS District staff members and community service providers. The press is expected to attend the meeting as well.

## **Vermont Department of Health (VDH):**

### **Women and Opioid Use Symposium**

Representatives from the Health Department, the Department of Children and Families, and community partners involved in treatment and recovery services in Vermont attended the first-ever Women and Opioid Use Region 1 symposium on October 24 and 25, organized by the U.S. Office of Women's Health. The symposium focused on looking at women's pathways to addiction, treatment and recovery, as well as prevention. Each state team of eight developed action plans and will convene again in the following month to focus on next steps related to priorities identified. Some of the priorities Vermont identified include: assessing current models in the state to determine if they can be replicated in other parts of the state; enhancing women's specific substance use disorder (SUD) treatment services; enhancing connection for SUD providers with trauma-informed resources and resources related to intimate partner violence and family planning services; identifying/developing messaging focused on destigmatizing people with SUD; and enhancing the focus on prevention.

## **Department of Mental Health (DMH):**

### **Vermont Psychiatric Care Hospital**

VPCH census remains at 25. The hospital has two highly acute patients on two separate units which results in increased acuity and staffing needs within the hospital. VPCH has hired 4 permanent nurses and is close to hiring an additional 2 permanent nurses in the near future. Nurse Salary increases that went into effect this fiscal year has helped recruitment efforts, when comparing a total of 5 permanent nurse hires during the previous fiscal year. This higher compensation has enabled the hospital to reduce its reliance on traveling nurses by 25%.

DMH Commissioner and VPCH CEO will be testifying next week regarding recruitment, hospital capacity, and staffing survey information at the Health Reform Oversight Committee next week. DMH Commissioner, Legal staff, and VPCH Medical Director and CEO met with CVMC leadership, UVMC Representatives, and WCMH Executive Director in efforts to advance aftercare planning strategies for a long term patient with complicated physical and mental health needs who requires nursing home care. There are ongoing concerns by long-term care facilities to receive aging patients with mental illness without assurances that active psychiatric interventions can be made available when a patient refuses medication. Parties will meet again to further review strategies under current laws and potential contingency plans available to mitigate risks for the facility in accepting the patient and for other residents of the facility.

### Emergency Departments

This week saw 27 people in need of inpatient care with 9 remaining for placement. There are currently 5 involuntary adults waiting for placement, the longest wait being 4 days hours (planned admission today). There have been 2 court ordered adult inpatient evaluations; and one remains with a wait time of less than 36 hours. Four out of six voluntary adults have been admitted to inpatient care. One of two involuntary adolescents has been waiting approximately 72 hours for admission awaiting bed availability at Brattleboro Retreat. All voluntary children have been admitted this week.

The overall occupancy rate in the adult inpatient system of care has been averaging 94% occupancy this week. The child and adolescent inpatient system of care has had an average occupancy of 88% this week.

### **Department of Corrections (DOC):**

#### Evolve Vision Van

On 10/5/16 the Evolve Vision Van came to Vermont. Centurion (the contracted medical provider for DOC) arranged the visit at no cost to the state, the contractor or the individuals who participated. The participants were family members and friends of the women residing at the Chittenden Regional Correctional Facility. Evolve provides free vision screening and glasses. Some tested had no insurance and others had Medicaid which pays for an exam only for adult patients. The service was arranged in conjunction with visiting hours so it was convenient for those who wanted to attend. The feedback was positive and there is a plan to have the Evolve bus return next summer.

#### Population

The Department's incarcerated population averaged **1782** for the previous week. Last year at this time, the average was **-22** under the current number.

The Department's incarcerated male population averaged **1628** for the previous week. Last year at this time, the average was **-5** under the current number.

The Department's incarcerated female population averaged **154** for the previous week. Last year at this time, the average was **-16** under the current number.

The Department's overall detainer population averaged **435** for the previous week. Last year at this time, the average was **-34** under the current number.

The out of state population is currently at **267**. Last year at this time, the out of state population was **+4** over the current number.

### **Department of Disabilities, Aging and Independent Living (DAIL):**

#### Increase in Uptake in Home Delivered Meals Among Choices for Care Participants

DAIL has recently reviewed data which indicates that we have seen an increase in the participation of Choices for Care (CFC) participants in the Home Delivered Meals (meals on wheels) program from last calendar year. We attribute this increase to the removal of a barrier in the CFC program which penalized participants in service hours if they participating in the HDM program. With the removal of that barrier, we have seen modest increases in uptake from 12% to 22%. As good nutrition is the cornerstone to good health and aging well, we are extremely pleased to see this small success.

## **Department for Children and Families (DCF):**

### **Jobs for Independence Update**

The current enrollment in Jobs for Independence (JFI) is 914 participants. The pilot is almost one third of the way to the total. JFI received permission from FNS to enroll participants who are exempt from work participation under SNAP regulations. This portion of the participant population was originally restricted from participating in the JFI pilot. Many of the exempt potential participants, people who struggle with substance abuse or mental health issues, are part of the JFI target groups. Now that enrollment has been opened again, we anticipate robust monthly numbers.

### **Workplace Violence Article Being Published with Support from Family Services**

Following the death of Lara Sobel, Jessica Strolin-Goltzman of UVM partnered with Family Services to write an article that creates a roadmap for social service industry staff that face this violence in the future. The roadmap describes a framework to prevent and respond to workplace violence and how leadership teams may moderate the effects of such violence through strategies that promote workforce resilience. The article has been accepted and will be published by the Child and Family Services Review Journal.

### **IT Mainframe Issue Resolved**

As part of a planned outage, DII brought down the ACCESS mainframe Sunday morning to perform the normal backup as well as change the time due to DST ending. On Monday morning, we noticed the timestamp on the ACCESS mainframe was not rolled back to EST as planned. This put the clock one hour ahead of everything else and would have caused significant business and IT impacts to DCF if not corrected before the nightly benefit processing began. Working with DII, we quickly realized DCF and DMV would be the most impacted. DCF needed the system fixed before the end of the day and DMV preferred to wait until after the close of business as to not interrupt their services. This was an unfortunate, no-win situation. The decision was escalated to Secretary Martin. Both DMV and DCF explained their respective issues and potential impacts. Secretary Martin made the decision to have the system clock fixed during the afternoon. As a result, DCF was minimally impacted. There were 1,033 Child Support payments posted to their cases one day later than usual (yet within the federal time limits) because the file from the bank did not get received on time Monday afternoon. All other benefits appear to be unaffected.

## **Department of Vermont Health Access (DVHA):**

### **Customer Support Center-**

#### *Vermont Health Connect Customer Support Center Has Strong Start to Open Enrollment*

Last week's call volume was 34% higher than the first week of open enrollment last year (10,655 calls received vs. 7,960 last year). Our call center was well prepared to handle this volume. Just over 94% of calls were answered within 24 seconds, and our abandoned rate was 2%. This performance surpassed our customer service targets (75% answered within 24 seconds and a 5% abandoned rate) and was significantly better than the first week of open enrollment last year when 56% of calls were answered within 24 seconds and our abandoned rate was 12%.

#### *Brattleboro Retreat*

DVHA continues to have meetings with the Brattleboro Retreat on language in process regarding clinical review and documentation on inpatient hospitalization for children. We are currently reviewing the claims submission.

### **Other items for consideration:**

#### **Agency of Human Services Central Office (AHS CO):**

##### Middlebury

The Vermont Department of Health and The United Way of Addison County will begin to discuss data and identify community strategies, share grant specifics, and determine next steps for developing programs through a regional prevention grant. Services will aim at preventing local teens and young adults from abusing alcohol, marijuana and prescription drugs.

##### Rutland

The Rutland Nutrition Coalition has been looking at the emergency food system and seeing where supports are needed, particularly for creating prepared meals. There is a lot of energy in the area for taking donated foods, prepping and freezing them, and distributing them in the community, as is done by Feed the Freezer, Grateful Hearts, the Community Cupboard, and Gabriel's Children. The Rutland Nutrition Coalition is trying to help support capacity for these programs in 2 ways, by finding places where meals can be prepared and building a "small army" of volunteers who are Serve Safe trained to prep the foods.

##### Brattleboro pilot for supporting families scheduled to begin

A large and diverse group of human services providers met to discuss how we could better support families who have had their parental rights terminated. Thanks to the volunteer efforts of many individuals in the area, a pilot group will be meeting for the first time November 16. A local psychologist will be facilitating the group that will: 1) provide a place for women to talk about their experiences; 2) be an opportunity to learn some mindfulness techniques; and 3) guide the human services community about the kinds of supports could be created to support families who have been through the TPR process.

#### **Vermont Department of Health (VDH):**

##### Regional Prevention Partnership

The Vermont Department of Health Middlebury District Office and the United Way of Addison County hosted their first community meeting on the county's Regional Prevention Partnership grant, recently funded through the Health Department's Division of Alcohol and Drug Abuse Programs. More than 30 people attended the meeting, representing schools, law enforcement, treatment, recovery, teen centers and Middlebury College. The group reviewed data related to underage drinking, binge drinking, marijuana use and prescription drug misuse among Addison County's youth and young adults. The meeting included discussion of grant parameters, as well as brainstorming about prevention-focused activities. The intention is that this was the first of many meetings to rebuild a prevention-focused coalition in Addison County.

#### **Department of Corrections (DOC):**

##### Vermont Vision for a Multi-Cultural Future Conference

On November 3-4, 2016, a three-member team from DOC attended the conference. The event is focused on increasing the number of organizations that employ inclusive and equitable business practices. Several departments and agencies from state government attended. This is the second-year DOC participated related to efforts to increase diversity in staff. Additionally, the DOC is continuing to plan and deliver trainings on implicit and explicit bias to help staff develop skills and tactics to mitigate the influence of bias in decision making.

## **Department of Disabilities Aging and Independent Living (DAIL):**

### **Audiologist Concerns**

Recently DAIL responded to a concern from a licensed audiologist related to some practices in Vocational Rehabilitation. The concerns were specific to the dispensing of hearing aids and our state contracting practices. In researching the issues, we determined that we (BGS and DAIL) acted appropriately in relation to our contracting practices. We agreed with one of the other concerns expressed by the individual but stood firm against the assertion that only licensed audiologists could fit and dispense hearing aids to VR clients. Since then, we have received four additional communications from audiologists, expressing similar concerns. The source at issue appears to be one contract we hold with a hearing aid dispenser in the North East Kingdom. It is critical that we maintain access to hearing aids in the North East part of the state and in soliciting customer feedback as to service and results, we are confident that the dispenser is providing quality services. The threat to the professionals seems to be a galvanizing motivation. We are issuing a new RFR for hearing aid provision shortly and will try to address the concerns through that process.

### **DAIL Promulgating Rules for Developmental Services**

As required by the legislature, DAIL is promulgating new rules for our developmental services system. The public notice is below:

In accordance with Act 140, the Developmental Disabilities Services Division staff have revised the rules that support the Vermont DD Act. In so doing we have referenced our state System of Care Plan to inform the rule changes as they pertain to 1) priorities for continuation of existing programs or development of new programs; 2) criteria for receiving services or funding; 3) type of services provided; and 4) a process for evaluating and assessing the success of programs. We also took this opportunity to incorporate federal requirements for services that rely on Home & Community Based Services funding, as we do here in Vermont. We welcome you to read through these revised rules and participate in the public comment process.

The notice of the proposed rulemaking, the public hearing dates, and the text of the proposed DD Rule can be found on the Department of Disabilities, Aging, and Independent website at: [Department of Disabilities, Aging and Independent Living — Department of Disabilities, Aging & Independent Living](#)

### **DAIL Older Americans Act Director Speaking at AAA Annual Meetings**

Angela Smith-Dieng, DAIL's State Unit on Aging Director, was the guest speaker at the annual meeting of the Northeast Kingdom Council on Aging on Friday, November 4. She spoke to an audience of staff, board, advisory council, volunteers, community supporters and legislators (Senator Joe Benning, and Representatives Marty Feltus and Connie Quimby) about the critical role that the agency plays in the community, serving older adults of all walks of life with a breadth and depth of services and supports. She shared DAIL's gratitude for the hard work of delivering meals, answering calls, visiting homes and generally rising to the challenge of greater needs of our aging population. She also celebrated the collaboration between DAIL and the agencies on aging that has resulted in helping more Vermonters age in their homes and communities rather than in institutions. Next Wednesday, November 16, Angela is traveling to Bennington to give a similar talk at the annual meeting for the Southwestern Vermont Council on Aging.

## **Department for Children and Families (DCF):**

### **Family Services Staffing Changes in the Barre District Office**

Family Services District Director of Barre, Catherine Harris, has accepted a position in our central office devoted to system of care supports to children and families with post-adoption subsidies. With Catherine's past experience with Lund and her six years as the Barre District Director, she will be an incredible asset to the post-adoption services team. Her new position begins 12/12/16.

Deb Caruso, current District Director of the Morrisville Family Services office, has been appointed the new Barre District Director. Deb has been the Morrisville Director for the past two years and began her career as a juvenile services social worker in Barre over 20 years ago. She has been very successful in Morrisville and we are excited to have a new Barre District Director with already strong ties in Washington County. We are excited for these positive changes, please feel free to reach out to them with congratulations.

## **Department of Vermont Health Access (DVHA):**

### **APM/ACO**

Contract work is ongoing. Planning Readiness Review activities for December.

### **Audits**

Audits currently in process, going public or up and coming – week of 11/7/16

KPMG 2016 A133 Single Audit - Medicaid Audit ongoing

KPMG 2016 SIM - audit fieldwork complete exit meeting to be scheduled for 11/14

KPMG 2016 CAFR audit in progress

SSG Legislative VHC Assessment Review- requests for information and interviews with staff ongoing  
State Auditor's Office requested status update on two VHC audit reports (Future Improvement Contingent on Successful System Development Project 4/14/2015, Status of Planned Enhancements 11/18/2015) due 11/17/16

### **Vermont Health Connect**

*Statewide Network Issues Impact VHC Staff, but Not Customers or Assisters*

The State experienced limited connectivity issues with its Citrix remote desktop solution. The Department of Information & Innovation (DII) has since corrected the issue and is investigating root cause. During these times VHC and Maximus staff that rely on Citrix were impacted, but the VHC portal was fully operational and accessible to customers and Assisters.

### **Hot topics**

#### ***HPE Contract Restatement***

DVHA has submitted to CMS for review and approval a Hewlett Packard Enterprise Services (HPE) Contract (#8430) Restatement. The reasons for this restatement are: (1) it consolidates and clarifies the numerous amendments that the original contract has gone through since 2004 and (2) it provides agreed upon language that will enable the State to proceed with modular changes to transition our Medicaid Management Information System (MMIS) in such a way that MMIS modules (or sections) can be replaced. As CMS is aware with our Health and Human Services Enterprise (HSE) efforts, the timeline for replacing our MMIS modules will take at least 3 years and therefore this restatement extends the current HPES contract by 3-5 years (including options). The current contract with HPES is scheduled to expire on January 1, 2017.

**CONFIDENTIAL AND PRIVILEGED**  
**MEMORANDUM**

TO: Governor Peter Shumlin   
 FROM: Rebecca Holcombe, Secretary, Agency of Education  
 SUBJECT: AOE Weekly Report  
 DATE: November 11, 2016

**Good News**

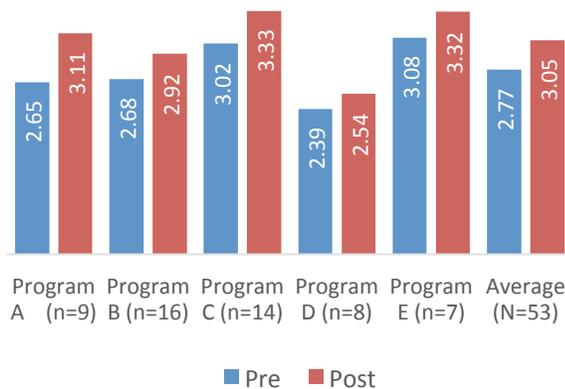
***Stakeholder Engagement Recognition***

The Vermont Agency of Education featured as a “Success Story” for our work in developing the Education Quality Review process and the strength of how to engage the public in educational endeavors. [http://battelleforkids.org/learning-hub/learning-hub-item/strategy\\_engagement\\_improvement](http://battelleforkids.org/learning-hub/learning-hub-item/strategy_engagement_improvement)

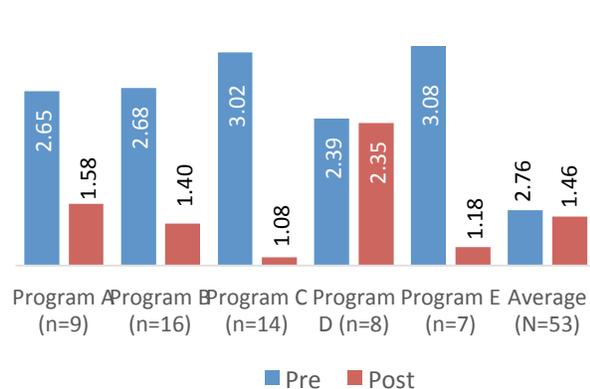
***Child-Level Outcome Data***

Statewide, we are hearing from school districts that children are demonstrating increasingly challenging behaviors as they enter school. The AOE is providing support statewide around tiered supports (MTSS) to improve both instruction and appropriate targeted interventions for students who are not succeeding. The data below speaks to the impact of this work last year in the first cohort of sites. These data represent pre/post 2014-15 child social-emotional outcome data on the Social Skills Improvement System (SSIS) (Frank Gresham & Stephen Elliott, 2008), which assesses social skills and challenging behaviors of 3-18 year olds. At each of the five Cohort 1 sites, there was an observed increase in use of positive social skills and in four of the five sites, substantial reductions in the incidence of challenging behavior.

**Chart 16: Childrens Social Skills**



**Chart 17: Challenging Behaviors**



Scale: 1 = Never, 2 = Seldom, 3 = Often, 4 = Almost Always

## Emerging Issues

### *Child Nutrition*

The Child Nutrition Programs administer the federal school meals programs, including the School Breakfast, National School Lunch After-School Snack, Fresh Fruit & Vegetable, and the USDA Foods (commodities) Programs, as well as the Child & Adult Care Food Program (CACFP) which provides meals and snacks for early childcare programs, adult day centers, Head Start, pre-schools, after-school snack and supper programs. The Child Nutrition program, in collaboration with The Department of Agriculture, also supports the Farm to School Work.

Recent state legislation has increased program participation in the meals programs with the addition of Pre-K programs and early childhood programs that are providing pre-school. Federal regulatory changes in the last few years with its focus on increasing program integrity has required the Agency to implement a new application and claiming system and has increased the requirements for program monitoring by consolidating two different reviews into one expanded review process and bolstering the monitoring tool (7 CFR 210.18), in addition to just recently adding a formal Procurement Review that must be conducted to assess compliance with program and government-wide procurement requirements (2 CFR 200). The impact of these regulatory changes has significantly affected work and monitoring processes for all of the programs.

The Child Nutrition Programs administrative funds for AOE to implement the school and child care programs consist of \$50,692 in general funds and federal state administrative expense funds from USDA which has been reduced over the last 10 years from \$515,651 in 2006 to \$500,540 in 2016 and we expect further decreases. The funding formula uses the number of school food authorities/supervisory unions/school districts two years prior as a factor which has negatively impacted the funds we receive with the consolidation of school districts in Vermont. However the number of sites that have to be monitored and the amount of time required to conduct the compliance monitoring has in fact increased due to the regulatory changes and focus on program integrity, resource management and now the procurement monitoring that will be implemented in school year 2016-2017. Additionally the number of days required to complete the 72 page review forms in 2006 was about 80 onsite days, usually 1 person per review. In 2016 the number of people required has grown to 2 to 4 staff, the review form is now 219 pages, and the number of days needed for the reviews range from 2 days to 4. With the addition of pre – K, and potentially universal child care we will not have the capacity to support this increase in time for compliance reviews and program support. The additional time required for compliance reviews and program monitoring has greatly decreased the critical time needed to provide technical assistance and training to the program participants to support quality programs that are effectively and efficiently operating on their nominal budgets.

We anticipate a critical audit from USDA, which will target the low staffing as a source of risk, both to program delivery and integrity. **And, given the current policy preference for proliferation of small units of delivery, the state is going to need to add staffing, or this program will collapse.** Our current staffing is inadequate to support the increasing numbers of Pre-K and early child care programs that are critical to support the education and early child care system and basic needs of children to ensure they are well nourished and ready to learn. This division could easily use 2 more positions.

Child Nutrition by the numbers:

<b>Administrative Support for Child Nutrition Programs</b>			
<b>2006 in 2016</b>			
<b>inflation</b>			
	<b>2006</b>	<b>adjusted dollars</b>	<b>2016</b>
GF administrative funds	\$ 50,692.00	\$ 60,706.69	\$ 50,692.00
USDA admin. Funds	\$ 515,651.00	\$ 617,522.77	\$ 500,540.00

**Note: We expect USDA administrative funds to decline as the number of districts consolidates. This is not a reason to not consolidate as to date, the savings associated with Act 46 far outweigh the total cost of this administrative expenditure, but it is a collateral effect we will need to address.**

<b>Child &amp; Adult Care Food Program (CACFP)</b>		
	<b>2006</b>	<b>2,016</b>
Number of pages in the audit form	72	219
Number of food program sponsors	89	135
Number of center sites	145	240
Number of food program sponsors reviewed per year	30-35	40 to 45
Number of onsite days needed for review	80-90	100 to 120
Number of person days per review	3 to 4	3 to 5
New: required site visits for preapproval review for new programs		20 to 25

**Note: the growth is attributable in part to Act 166, and will continue, particularly if state support for child care is increased.**

## School Nutrition Program Administrative Compliance Reviews in 2006 and 2016

	2006	2016	2017
Governing units	236 districts	85 food authorities	
Number of districts reviewed per year	45-50	28 – 33	
Length of USDA monitoring tool	72 pages	219 pages	
Number of years in cycle	5	3	
Number of staff needed onsite	2	2 to 4	
Approximate number of days on site for	80	216	
Number of days per review to write up, follow up and close review	2 to 3	10 to 12	
Staff days onsite in each School Food Authority being reviewed for a Procurement Review assessing compliance with purchasing strategies, contracting, and financial management.			28 to 38 days
Time spent per procurement review on follow-up report writing.			2-4 days

Note: we are moving from districts to SU level authorities, in the interest of efficiency and sustainability at the local level. We also have independent school food authorities, which is an upward pressure.

Note: with the Healthy, Hunger Free Kids Act of 2010 new meal program requirements implemented in 2013, 16 SFAs including 3 Academies, left the school meals program. Programs that leave tend to be in wealthier regions.

The Child Nutrition program is not just about providing much needed nutrition to hungry children. It is also about supporting VT agriculture. The Farm to School initiative would not survive without AOE collaboration. A recent study by the Center for Rural Studies and UVM looked at the economic impact study of local food procurement by Vermont schools and found:

- *Vermont schools spent \$915,000—or 5.6% of all food purchased—on local foods during the 2013-2014 school year;*
- *Every dollar Vermont schools spent on local food contributed an additional sixty cents to the local economy, resulting in a \$1.4 million overall contribution to Vermont’s economy;*
- *If 75% of Vermont schools doubled their local food spending (from 5.6% to 11.2%) the total economic impact would increase to \$2.1 million.*

This study demonstrates why AOE’s child nutrition division has been working to increase the proportion of school food budgets spent on local products. This work is jeopardized by our insufficient staffing.

## **Media Contacts:**

**Tiffany Pache, VTDigger:** Tiffany asked Haley for the average cost of independent school tuition. Haley sent her a screenshot of the data. She also asked if the towns pay the full amount for the four academies and statewide average for the others. Haley explained that it is different for Thetford because it designates Thetford Academy and Strafford has specific legislation. Brad James offered to answer her other questions related to this. She later asked when the most recent FRL data would be released. Haley said it is already in the school reports. She then asked for an Excel version of it. Tiffany later asked for the number of public schools. Haley pointed her to the budget book.

**Chris Mays, Brattleboro Reformer:** Donna contacted Chris with corrections and clarifications in his story about Act 46. He forwarded those corrections to his editors and said he doesn't think there will be a problem.

**Executive Privilege**

**TO: Governor Peter Shumlin**  
**FROM: Secretary Chris Cole**  
**DATE: Friday, November 11, 2016**  
**SUBJECT: VTrans - Confidential Report to the Governor**

**NOTES FOR GOVERNOR**

**Brattleboro Bridge**

The final segment for the I-91 Brattleboro bridge was cast Tuesday. The next step is the mid-span closure pour, then the closure pours at both abutments. Folks are excited to reach this milestone and we could not have asked for better weather conditions this year for casting. We must wait until spring to redo the highway approaches to the bridge, demolish the other bridge and complete some other project components.

**FEMA Letter**

Secretary Markowitz received a letter from FEMA this week indicating that the changes we recommended to our Stream Alteration Permit and Program would be sufficient to meet FEMA requirements for Public Assistance funding. This is really big news because for the first time since Irene, we have agreement with FEMA that they will reimburse Vermont municipalities for the upsizing of culverts and bridges to meet Vermont's standards for culvert sizing. This removes the risk if there is another Irene event that we don't need to go through the process of using two FEMA programs, Hazard Mitigation and Public Assistance, to get the funding necessary to upsize to more resilient culverts. A press announcement or release is probably warranted in this instance as this was the last item left over from Irene that we needed to take care of before leaving office.

**Memorial**

We had a request for a roadside memorial for the Hardwood students. I explained to Representative Grad that we don't allow roadside memorials, but I pitched an idea of a memorial to all victims of highway crashes and suggested the potential of the Williston Welcome Center to be the location. I held a conference call with Commissioner Obuchowski and Deputy Commissioner Stevens and State Curator David Schutz on this concept. We will be conducting a site visit in December.

## **NOTES FOR STAFF**

### **Construction**

We have 28 active work zones: 15 bridge, 3 safety, 7 paving, 2 reclaim, and 1 roadway.

### **North Hero Grand Isle BHF 028-1(26) drawbridge on US2 over Lake Champlain**

Preliminary Plans Review was completed on November 7. Design Consultant will begin addressing comments this week. There is a Public Meeting on November 15, 2016 at the North Hero school gymnasium to provide a project update. The two biggest changes are the schedule and the use of a temporary bridge. The project will be advertised in 2018 instead of 2017 and we are now moving forward with a temporary bridge instead of phased bridge construction.

### **Middlebury WCRS(23)**

I convened an internal meeting with VTrans technical staff and FHWA to review the Dumont letter and determine what risk each of the elements posed to the project. In a nutshell, we don't see anything that is a high risk; most items raised in the letter are low risk with one item a low/moderate risk. We can't achieve what Dumont's clients desire so this is going to end up in litigation, but we will recommend mediation prior to litigation.

Various stakeholder/property owner meetings were held over the last week including: Town department heads, Addison County Transit Resources (ACTR) and Marbleworks. The internal review of the final plans for Contract 1 (early work package) concluded on Monday and a Final Plans/Special Provisions meeting is scheduled for November 9. Public meeting for the project is scheduled Thursday, November 17. Utility coordination is ongoing; most recently, the relocation route is near final and VTrans has requested undergrounding quotes from private utilities. The "bat memo" is under review by FHWA and the Biological Evaluation has been distributed for review to VTrans and FHWA.

We anticipate that the public will have questions regarding the Dumont letter, but we won't be able to answer them completely by November 17. Regardless of the responses to Dumont, we do believe we will be in litigation over this project once construction starts this winter with our early work package.

### **FHWA EV Corridor Designation**

The FHWA announced the national Alternative Fuels Corridor designations last week. VTrans submission for a northeast electric vehicle corridor nomination, developed in coordination with the Transportation Climate Initiative at Georgetown, was officially designated. I-89 and I-91 in VT were included. Designation means that there is Level 2 or 3 charging infrastructure within 5 miles of an exit at least every 30 miles along the corridor. The designated routes will receive special signage and promotion and were recognized by the White House as part of the President's sustainable transportation initiative.

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Deborah L. Markowitz  
Agency Secretary

**State of Vermont**  
**Agency of Natural Resources**

**CONFIDENTIAL and PRIVILEGED**

**To: Governor Peter Shumlin**

**From: Deborah Markowitz, Secretary, Agency of Natural Resources**

**Date: November 10, 2016**

**Subject: ANR Weekly Report**

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**Governor Level Issues:**

**Champlain Water District (CWD) & LaPlatte River Lampricide:** The Powdered Activated Carbon (PAC) water treatment unit has been delivered and installed. The start-up date is scheduled for November 8, 2016 in order to be prepared for a lampricide treatment date as early as November 9, 2016. Treatment application is dependent on stream flows.

**Champlain Water District (CWD) Tetrachloroethylene:** On Thursday, October 27, Champlain Water District informed the Drinking Water and Groundwater Protection Division (DWGPD) of a tetrachloroethylene (PERC) detection within the Colchester Town distribution system. The Health Department and Sites Management staff were quickly notified of the situation. The DEC and Department of Health have worked together to generate a public notice. The water system has taken several follow-up rounds of samples to identify the affected area and potential sources of the contamination. The Hazardous Sites Management program is now working to identify the source of contamination and identify how it is getting in to the water system. CWD believes that the contaminant may be permeating into the PVC piping in the very isolated portion of the distribution system. This area of the system serves only commercial connections and is limited to approximately 6 businesses that have levels in exceedance of the Vermont Action Level, including the Baker Distributing Building, New Penn Trucking, Wendell's Furniture Warehouse, J&B Trucks, Craft Beer Distributing and Coca-Cola. CWD issued their own Public Notice to users following confirmation sampling, informing them of the situation and recommending that they use bottled water.

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## **EVERYTHING ELSE:**

### **Press Issues/Releases:**

**Fish and Wildlife Press Releases:** Watershed Grant Application Deadline Extended to December 2; Public Meeting on Conserved Lands in the Northeast Kingdom; 2017 Vermont Fish and Wildlife Calendar Now Available

**Chromium-6 in Public Water Systems:** Mike Polhamus from VTDigger talked to staff about the presence of Chromium-6 in Vermont public water systems. Public water systems in Vermont are required to test for Total Chromium in drinking water. Results are evaluated against the EPA standard for Total Chromium of 100 parts per billion. Several public water systems were tested specifically for Chromium-6 in Vermont under a special EPA program. Very low levels of Chromium-6 were found—ranging from non-detect to 0.26 parts per billion. The State of California is the first and only state in the nation to establish a drinking water standard for Chromium-6. They have established a Maximum Contaminant Level (MCL) of 10 ppb, which is 38 times greater than highest concentration currently reported in Vermont public water systems. In summary, Chromium-6 in Vermont Public Water Systems is not a concern at this time, but DEC will continue to work with the Vermont Department of Health and EPA to understand how the prevalence of Chromium-6 nationwide applies to Vermont water systems.

### **Significant Events/Meetings:**

**Drought:** A meeting of the drought task force was held at DEMHS on November 2, 2016. The National Weather Service provided a forecast briefing on the short and long outlook. Recent rainfall has been beneficial but we continue to be well below normal precipitation levels and much of the state remains in moderate to severe drought. The long-range forecast indicates average temperatures and below normal precipitation. The rainfall has resulted in rebound of surface water bodies and soil moisture levels but groundwater levels have been slower to recharge. The next meeting of the task force is scheduled for November 16, 2016. USGS showed data from three shallow groundwater wells being monitored in real time in Vermont. USGS and the State Geologist were asked to give a presentation about the monitoring wells, geology and groundwater at the next meeting. An online mapping service continues to be available to residents wanting to report a well water shortage or outage for State tracking purposes.

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## **SUMMARY OF KEY DEPARTMENT ACTIVITY**

### **Office of Planning and Policy**

**Net Metered Solar End of Year Crunch:** The Public Service Board will enact a new rule on January 1, 2017 – Rule 5.100 – which will establish a new rate structure and regulatory process for net metered renewable energy projects up to 500kw in capacity. Because of this significant rule change, energy developers appear to be scrambling to file applications in this calendar year under the existing rule in order to benefit from its favorable rate structure and siting options. In

the past several weeks OPP has received over twenty 45-day notices from developers intending to submit CPG applications for net metered systems in calendar 2016. The last day to file a 45-day notice and still file an application this year is November 17, so we anticipate receiving even more notices prior to that date, which will lead to a significant volume of CPG applications in the month of December. These end of year applications may also be lacking in detail or information as developers rush to meet the deadline, further complicating our review. The Agency has the option to request extended comment deadlines if the volume of applications is unmanageable, but I wanted to provide a general “heads-up” that December and January may be busy times for the review of net metered solar facilities.

**New Applications:** Week of October 31<sup>st</sup>, OPP received 8 new Act 250 applications and 1 new Section 248 petition.

### **Office of General Counsel**

**Otter Creek Solar Projects:** The Public Service Board has issued an order in the Otter Creek Solar dockets (8797/8798) directing the parties to brief the issue of “whether the conduct of a third party landowner can constitute “site preparation” or “construction” within the meaning of Section 248(a)(2).” The Otter Creek projects propose to clear approximately 29 acres of forest land on a 55-acre parcel to construct two solar generation facilities. The remaining 26-acres not proposed for clearing are predominantly forested Class 2 wetlands. In its applications filed with the Board, Otter Creek represented that it may clear the land prior to issuance of a CPG by the Board. It also represented that the landowner, a separate but related entity controlled by the same individuals as the applicant, may clear the land as well. Because Section 248 expressly prohibits applicants from engaging in site preparation or construction activities prior to issuance of a CPG, the Agency and the Department of Public Service filed a joint motion requesting that the Board order the applicant to show cause as to why clearing prior to issuance of a CPG, by either entity, would not constitute site preparation or construction. The Board then issued the order, which also asks the parties to address Otter Creek’s assertion that it “has legal authority to clear the land” for other purposes. The Board determined that this is a threshold issue that must be resolved before proceeding with review of the project proposals.

There are two similar illegal site preparation cases being considered by the Public Service Board.

**Lawson’s Finest Liquids Settlement:** Lawson’s Finest Liquids conducts a beer brewing operation in Warren. The property is subject to Land Use Permit that authorizes the creation of a 15-lot residential subdivision of single-family homes. Instead, Lawson’s established and were operating a brewery in an outbuilding located next to their residence and they had connected the outbuilding to the primary residence’s wastewater system for disposal of liquid wastes from beer production in violation of their permit.

As the result of settlement negotiations, an Assurance of Discontinuance was entered as an Order of the Environmental Court on November 08, 2016. The settlement includes a penalty of

\$12,950.00 and a directive to cease operation of the brewery until all applicable permits are obtained.

### **Environmental Conservation (DEC)**

**Coventry Fire District Arsenic Exceedance:** The Drinking Water and Groundwater Protection (DWGWP) Division, with State Toxicologist from VDH, attended a public informational meeting in the Town of Coventry on November 3<sup>rd</sup> to explain the health effects from drinking water containing Arsenic in concentrations exceeding EPA federal and state standards. Drinking water with high levels of Arsenic over a long period of time may cause an increased lifetime risk of getting bladder, lung or skin cancer. On September 6, 2016, the DWGWP Division issued Coventry Fire District a Notice of Alleged Violation for exceeding the standard for Arsenic in the drinking water being delivered to approximately 180 year-round residential users and the local elementary school. Corrective Action has been requested which included notifying the drinking water users of the levels of Arsenic in the drinking water supplied and hiring a consulting engineer to begin planning for the design and installation of treatment for the elimination of Arsenic from the drinking water. Approximately 35 residents attended the Fire District's informational meeting, which included representatives from the local Elementary School, the nearby Town of Irasburg (Prudential Committee members with Irasburg Fire District #1), and three different newspapers (Newport Daily News, Orleans County Record, and one unidentified other). Short term solutions were discussed, including utilization of countertop treatments that were commonly available in the marketplace and use of bottled water. Coventry Fire District #1 representatives are currently in the process of soliciting engineering assistance to address this issue.

### **Fish & Wildlife (FWD)**

**Youth Whitetail Hunting:** Reports around the state indicate that there was lower activity around Youth Weekend this year with few youth hunters getting out into the woods. Some of the wardens advised that it was hard to even find a youth hunter. Wardens encountered typical violations for Youth Weekend, including: shooting from the road, no landowner permission, adults shooting the youth's deer, baiting, and revocation violations.

**Bear Activity:** Staff responded to several requests for advice from landowners having problems with bears on their property. One couple was dealing with bears apparently intending to den beneath house trailers. The bear harvest numbers for this year are high and will most likely break 500 for the Early Season.

### **Forests, Parks and Recreation (FPR)**

**ANR PILOT Payments to Go Out:** We have finalized the calculations for this year's annual Payment in Lieu of Taxes Program for ANR lands and expect that the payments will go out to communities by the middle of November. This marks the first year of a gradual phasing in of the new ANR PILOT formula as enacted by the legislature this past spring. Along with the payments themselves, we plan on sending out a letter to each town that receives a PILOT payment from

ANR, describing the changes to ANR PILOT and outlining how their municipality's payment was calculated.



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**State of Vermont**  
**Department of Public Safety**  
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[www.dps.state.vt.us](http://www.dps.state.vt.us)

**To:** The Honorable Peter Shumlin  
**From:** Joe Flynn, Deputy Commissioner of Public Safety  
**Date:** November 10, 2016  
**Subject:** Weekly Report

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Priorities:

Department of Public Safety employee (Ret.) John Vergin passed away at the age of 95 after a short illness. Those who were privileged to have served with John realize he is an Icon in The Department of Public Safety and The Division of Fire Safety. John devoted most his life to Public Safety with a distinguished and honorable career as a public servant starting which began in 1963 and ending in 2013. His 50-year tenure brought John notoriety throughout the entire building industry in Vermont, John's name still rings throughout the regional offices where we are continuously asked by architects and friends, how John is doing? His legacy will live on at The Division of Fire Safety. The division will honor John in the near future.

<http://www.legacy.com/obituaries/burlingtonfreepress/obituary.aspx?n=john-leonard-vergin&pid=182379027>

Vermont State Police Major Walter Goodell retires today after 28 years of dedicated service.

An employee from the Agency of Human Services has deployed to the state of Georgia under the Emergency Management Assistance Compact (EMAC) managed by DEMHS. The 2-week deployment will focus on Individual Assistance efforts in Georgia following Hurricane Matthew.

Administration

Still no word from KPMG on the Single Audit exit conference.

Indirect Rate approval delayed: Joe, Marie, and I spoke with Danielle Unger last week about the need to have our indirect rate finalized. She said that their legal staff was still reviewing our rate proposal and offered to check in with them on our behalf. Danielle did reach out to the FEMA attorney in DC via email and copied Joe and I. There has been no response yet that we have been copied on.

CJS

Forensic Lab- Nothing new from last week.

OTM-

The first meeting of the Vermont NCJRP Team will be held on December 2, 2016. NCJA/NGA have published a Request For Application (RFA). The team's primary objective will be to respond to the RFA.

The VSP Police Data Initiative (PDI) Public announcement is scheduled for the evening of Nov. 16th.

e-Ticket - We have sufficient funds from NHTSA for the current fiscal year. Efforts now are focusing on the implementation of eTicket in 40 additional vehicles. We are also beginning the work of calculating the ROI that has been realized during the first pilot in an effort to demonstrate and confirm the overall value of this important project.

DPS Wide GIS Support - No Change: RFPs pending for vendor support in some critical areas necessary for DPS' GIS system. As the associated costs are developed, we will include it in this report, as they were costs not previously budgeted.

OTM is currently invoicing 93 external (outside DPS) agencies for services provided, though charge backs are at a small fraction of the actual costs. FY17 invoice information has been reviewed and approved by OTM leadership and will be presented to DPS Admin to create invoices by Friday.

#### Future Billing

It is anticipated OTM will be sending notification to agency heads by the end of this week or prior to the FY17 bills going out. The message should indicate agencies should anticipate the same level of billing as next year, give or take new staff numbers.

#### VCIC-

A quarterly financial meeting has been set for 11/14 to review current expenditures along with any outstanding financial issues from FY16. Additionally, discussions are ongoing with Administration concerning the full accounting of expenses relating to the record check fund to ensure costs are fully being documented and charged against revenue.

Contact was made by staff from Senator Sanders office (Haley Pero) regarding general VCIC functions (general overview) and potential federal collaboration. A meeting time is still being scheduled pending general holiday travel etc.

The Tri-State AFIS contract proposal continues on hold pending New Hampshire approval (scheduled for late November). Otherwise discussions continue with the vendor on specific system enhancements to be rolled out as part of the pending upgrade.

Bobby Sand (Vermont Law School) requested some general information relating to conviction report requests and associated fees (as independent from fingerprint processing). Please see a summary of information provided below.

Online Criminal Conviction data (separate from Fingerprint information) provided to Bobby Sand on 11/3.

During FY16 the criminal history record check fund generated \$1.3M. Of these funds \$200K were retained by the department to partially offset the costs of administer the program. During FY17 the program has received legislative permission to fully fund the costs of the program, expected to be approximately \$600K (including staff, supplies, and computer hardware/software).

During FY16 148,516 conviction reports were processed online by VCIC. Of those reports 45,943 were subject to the \$30 fee while 102,573 were provided at no cost (including Vulnerable Population Agencies, Education Institutions, Courts, and DOC/Pre-Trial Services).

## DEMHS

FEMA Region 1 issued a determination in favor of the applicant on 11/04/16 regarding Town of Hartford's reutilization plan to create a pocket park on an HMGP buy-out site in Quechee Village:  
<http://www.vnews.com/FEMA-clears-way-for-Quechee-Pocket-Park-5831803>.

PAO facilitated annual gathering of VTrans District Techs, RPC emergency planners, and ANR river engineers at the EOC.

HMO submitted additional budget detail to FEMA R1 in support of the cost overrun request for Waterbury's 5 Healy Court HMGP elevation project.

Emergency Management Coordinator and Operations and Logistics Chief met with representatives from VT Agency of Transportation and the Vermont National Guard to discuss steps to prepare a final draft of the Commodity Points of Distribution Plan.

Discussions regarding lampricide treatment onto the LaPlatte River continue. The Watch Officers on call for the month of November were advised of the developments and were provided with the latest draft of the emergency response plan.

The required monthly test of the Emergency Alert System was conducted this week. There were no issues with this test.

A Vermont Yankee drill was conducted this week. The only involvement with the SEOC was communications checks with the redundant communication systems in place between the two facilities.

Discussions were held this week with members of the Agency of Transportation on how best to utilize VT Alert to provide information about road closures.

DEMHS taking part in #WinterReadyVT effort - state agencies hash-tagging winter preparedness messages.

Planning Staff facilitated SSF 1 Annex rewrite meeting with Agency of Transportation.

EM Planner facilitated School Crisis Team meeting.

Planning Chief participated in Severe Cold Weather Sheltering meeting with AHS.

EM Planner presented on School Safety at LEPC 3.

CI Planner attended dam safety bill meeting in Montpelier.

## Fire Safety

The Division received \$3.5 Million in new plan review construction valuation collecting \$28,500 in permit fee revenue. The receipt of plans has slowed down over the past 3 weeks typical of this time of year.

The Fire Academy continues to work on the reaccreditation program.

Employees from the Division of Fire Safety were recognized at the DEMHS conference. The fire academy hosted a booth at the conference and were able to talk to many first responders regarding training. Many positive comments from the attendees.

Attended the Regional State Fire Marshals meeting and a National Association of State Fire Marshals Board meeting in Boston last week.

Meeting with Fairfax Fire Chief- possible municipal inspection agreement for existing residential rentals.

### Vermont State Police

A Troop-

FF

12 Total Arrests, 5 DUI

Fatal car crash in Charlotte along Rt 7, TT unit vs. car.

Theft case from a school during open house. Video captured the suspect as he went in. 3 IPADS were stolen.

Investigated an aggravated assault that originated the day before with road rage.

BCI

Trauma informed sexual assault class at Norwich University.

Death investigation in Charlotte. 66 year old male with extensive medical history.

Death investigation in Duxbury. 86 year old female with extensive medical history.

Honor Guard responded to NY for Trooper funeral.

Sex assault investigation in Burlington. Female victim alleging she was assaulted by a known male acquaintance. CUSI assigned.

CSST members at Basic CSI school in New Hampshire.

Assisted D Troop with victim interview at the Correctional center.

Death investigation in Isle LaMotte. Male had extensive medical history.

Death investigation in Franklin. Elderly 84 year old female found unresponsive by her daughter. Victim was reporting to have been feeling sick. Large amount of vomit located at the scene. OCME signing off on death certificate as a natural death.

Sex assault investigation in ST Albans. 22 year old male attempted to sexually assault a 25 year old female. NUSI assigned.

Death investigation in East Fairfield of an 86 year old female. Natural death.

NUSI assigned incident where a 16 year old male was having an inappropriate relationship with an 11 year old female. Trooper assigned.

Maitland tip. Possible sighting on a subway in Brooklyn NY.

Death investigation in of an 88 year old female. Natural death.

Drug case at the NWCF, Inmate transported a large amount of heroin into the jail.

Doctor reported a possible sexual assault of a 58 year old female with a low IQ. APS and BCI investigated the case. Interview conducted and investigation showed no charges would be filed and no crime committed. This appears to be a communication issue. Sight visit with the victim and her husband showed no signs of abuse or trauma. Case will be closed.

Sexting case out of U32 High School. Group of teenagers denying that they have been asked or sent nude photos. Case not accepted by DCF.

Two out of state applicant trooper backgrounds assigned.

Fraud investigation. Suspect Arik Miller cashing fraudulent checks.

Three pre-employment polygraph exams.

B Troop-

FF

12 Total Arrests, 2 DUI

VSP responded to a report of two young juveniles who were seen unsupervised on South Main Street in Bradford on 11/05/16. Upon arrival, Troopers located an unsupervised child outside a residence not dressed for the weather. The child's mother was located inside the residence sleeping. She was subsequently issued a citation for Cruelty to Children.

Two domestic violence cases.

BCI

B troop Detectives attended sex assault investigation two day training.

Sex Assault investigation / human trafficking investigation regarding report of Juvenile being prostituted out.

Follow up on Robbery investigation from Orleans.

Background Investigations x2 continued follow up.

Follow up on sex assault involving a 14 yr. old becoming pregnant.

Assist Troopers with Interviews of suspects in Agg. Assault.

New case - Simple Assault of Correctional Officer at St. J. correctional Facility.

Follow up on Complaint from an Inmate regarding Unlawful Imprisonment - Inmate Doug Cavett.

New case - Sex Assault Investigation. 14 yr. old female reporting she was in a sexual relationship with an 18 yr. old.

Sex Assault investigation. A 15 & 16 yr. old reportedly having a sexual relationship with a 27 yr. old staff member at Lyndon Institute.

Newbury, VT 28 yr. old female found deceased. Believed to be Heroin overdose. Investigation ongoing.

St. Johnsbury, VT 47 yr. old male with Addison's disease – Natural.

C Troop-

FF

7 Total Arrests, 2 DUI

187 Traffic Stops were conducted in C1.

Burglary arrest, two counts.

Arrest for excessive speed.

DUI / LSA Killington.

Armed robbery at Citgo in Wallingford.

BCI

Trauma Informed Sexual Assault Training in Northfield.

Follow up w/Poultney kidnapping/sexual assault; located witness in Poultney per S/A and followed up with subpoena.

Case follow-up / Poultney - report that a 16y/o boy forced his 13 y/o sister to perform oral sex on him. No disclosure made last week. This week, victim made disclosure to school counselor. Upon interview with VSP & DCF, victim disclosed that last week he forced her to perform oral sex on him, and last year he forced her to have vaginal sex with him. Follow-up continues. Mother is extremely cooperative and interview with offender is scheduled for next week.

New case – New Haven. Case punched to create case number for old (pre-Spillman) evidence at New Haven for evidence tracking.

Case follow-up / Log all evidence from string of 52 burglaries from 2013 (Ray Ritchie and Nicole Burgos cases).

Sex assault in Ferrisburgh. 64y/o man called CSAC (counseling service of Addison County) to report that he had been inappropriately touching his 12y/o granddaughter. Interviews done of suspect, his wife, his daughter (victim's mother), the victim, and the victim's brother. Suspect confessed to touching granddaughter under the clothes as well as doing similar things to his own daughters at that same age. Suspect will be arrested next week per Addison SA.

New case – callout for dead body in Clarendon. 55y/o male with chronic health history.

Case follow up – sex assault. 12y/o w Asperger's accused of having anal and oral sex with 11y/o brother also w/special needs. Interviews complete, case reaction sent to SA.

Death investigation in Bristol. 68-year-old male hung himself. Marital and depression problems.

One applicant background completed. Two new assigned.

Attended LPO (Week 3).

Worked on Panton Fatal fire case.

D Troop-

FF

8 Total Arrests, 3 DUI

LSA arrest.

Rt. 9 Marlboro, arrest on outstanding warrant.

Wanted subject on four arrest warrants, subject located and arrested.

Vehicle stop, speeding and not maintaining lane resulted in DUI arrest.

Vehicle stop, one occupant took leg bail and was arrested for False Info to PO as well as on an outstanding warrant.

Arrest of possession of marijuana.

BCI

Evidence scanning at Westminster.

Catch up on JPMA Trainings and Power DMS reviews.

Case follow up on Missing person Autumn Sanville – follow-up investigation and warrant returns.

Overdose death (heroin) 42 year old male – Cavendish.

Sexual Assault Trauma 2 day training.

Depo -WCSA's.

Suppression Hearing – Windham.

New case started Applicant Background.

New case initiated for Drugs by Mail at SSCF.

New case sex Assault – Marlboro.

Sex Offense – Rochester – Interviews at Norwich CAC.

Review of several unaccepted intake reports from DCF.

LPO x2Detectives.



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*Trey Martin, Secretary*

**PRIVILEGED AND CONFIDENTIAL  
MEMORANDUM TO THE GOVERNOR**

**TO: Governor Peter Shumlin**

**FROM: Secretary Trey Martin**

**DATE: November 10, 2016**

**SUBJECT: Confidential Report to the Governor**

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**BUILDINGS AND GENERAL RESOURCES**

Capital Bill: BGS met with Finance and Management again for our comments on the overall capital bill requests. The information we provided was well received. They have asked us to work with them to prioritize the overall list, so we will be meeting internally to begin that process.

VAEL: We are still waiting for the Judge's ruling on the briefs and the Appellant's Statement of Questions. We still haven't received any word on the possible mitigation meeting with Pierre. The District Commission is still deliberating on our Act 250 application.

Randolph – Vermont Veterans' Cemetery Dedication: The ceremony for the expansion to the cemetery will be held on Friday, November 11<sup>th</sup> @ 2:00 pm.

North Clarendon – Proposed DPS Facility: We are working with Property Management and the consultant to finalize the feasibility study to finalize the parcel purchase.

Fleet Services – Charging Stations – 2.5 Million from Volkswagen (VW) to SOV – Funding Source: Funds are to be managed by ANR and to make EVSE investments for use by the public, municipalities and states. Fleet has proposed charging stations behind (1) 134 State Street, (2) in the Rutland Parking Garage, (3) at the National Life lower parking lot.

Charging Stations – Installations Pending: The plan is to make it happen before the VW money is available. Dan Edson from (Energy Division) has agreed to manage any future charging stations installations for Fleet. A proposal will be developed by Harmony Wilder & Dan will go to the Commissioner's Office for review before moving ahead. We will seek additional quote, as the WSOC estimate for only installation is \$16,000.00 per vehicle for 6 vehicles; neither conduit nor wiring installed; they must dig up the pavement and additional \$750.00 per charging station. 108 Cherry Street is \$16,000.00 and \$750.00.

Vermont Information Center – Monument at Williston Southbound: BGS will be collaborating with VTrans on the placement.

## **FINANCE AND MANAGEMENT**

Nothing new to report.

## **HEALTH CARE REFORM**

Nothing new to report.

## **HUMAN RESOURCES**

### **Significant Events/Meetings:**

Engaged in the transition. We are loaning Karen Pallas to the Transition Team.

Testing of the VTHR Disaster Recovery (DR) site has commenced. While the team was able to access the DR site, there are some issues with security and application configuration that need to be cleaned up for the next round of testing. There will be another DR test before year end to try again.

Working on implementation of paid sick leave for temporary employees to go live in the first pay period of 2017. Exempt employees were excluded from the law and classified employees meet the minimum standard.

Finalizing draft of attorney study for legislature.

Drafting narrative response to audit of investigative and disciplinary processes.

AOT lost an employee (Kirby Staib) who was shot by his neighbor. This was in the news. Worked with the EAP to have a counselor onsite the next day and they did come out to the garage which was great. Provided info to the supervisor who has been in contact with the family.

Employee engagement survey has closed. Response rate was on par with average, about 4,500 completed surveys.

Processing several position requests in coordination with AOA.

Had meeting regarding internet blocking with DII and AOA leadership. DHR is researching options for possible policy updates. This will be an issue to hand off to the Scott Administration.

Coordinated with DOC on WCAX request regarding DOC employee Facebook post about the wrong way driver.

## **INFORMATION AND INNOVATION**

### **Evolving Issues:**

#### Web Updates:

- The new BGS site is now live at [bgs.vermont.gov](http://bgs.vermont.gov).
- The new Transition site is now live at [transition.vermont.gov](http://transition.vermont.gov).

## **LIBRARIES**

Nothing to report.

## **TAXES**

### **Legislative Update:**

Joint Fiscal Committee: Every November meeting we are charged with reporting to JFC on our VTax project and the status of the Modernization Fund. This year they actually invited the Commissioner to testify. Our report highlights the completion of personal income tax this December, continued business process improvement, operationalizing costs such as maintenance and support that have been carried in the budget, and considerations for the use of VTax for revenue collection activities currently administered by other agencies (including the DOL employer assessment discussed below).

### **Operations Update:**

VTax Project - DOL Employer Assessment: DOL has requested that Tax take over this health care assessment. We have draft legislation ready. Staff also has been meeting with DOL to scope out the design. James Harrison, one of the FAST owners, was in town last week and we were able to explore putting this into the next phase of the project. Based on our discussions, assuming no major change in the assessment structure, he committed to adding this to the final phase for no cost with completion December 2017 (swapping out the retired electric generating tax and the anticipated move of break open tickets to Liquor).

Current Use: We also discussed moving Current Use into VTax, although this would require extending the contract. Presently, the front end of CU is in a VIC build portal called eCuse, the back end still requires manual processes. FAST is confident that VTax could handle Current Use – it has some experience with property tax functions for Canadian provinces. The estimated cost would be \$2M. The Department will advise that we ask for legislation to resurrect a dedication of the property transfer tax to this modernization. We let that sunset last year, since we did not have a clear path forward at that time.

Launch of Personal Income Tax – Four Weeks: We continue shutting down functionality in our legacy systems, and are preparing for our Department wide quiet period of conversion starting Dec. 1. Extensive training of staff has been very well received.

**CONFIDENTIAL and PRIVILEGED**

**To: Governor Peter Shumlin**  
**From: Patrick Delaney, Commissioner**  
**Date: November 11, 2016**  
**Re: Weekly Report**

**Vermont Department of Liquor Control**

Legislative Issues/Contacts/Updates:

Legislative Council, Damien Leonard submitted the first of four segments of the title Seven re-write for Department and Board review. The second section is due to be submitted on November 14<sup>th</sup>.

Press Issues/Releases/Contacts:

Significant Events/Meetings:

The Department held its annual Marketing Meeting in Burlington November 9 & 10. Industry representatives from around Vermont, and from outside the state, provided product information to DLC Staff. The Liquor Control Board incorporated its monthly meeting into this event.

Summary of Key Department Activity:

*Agency Issues:*

The change of ownership at the Danville agency location is progressing with anticipation of the transfer mid-November. The previous owner re-mitted \$500.00 to retire a fine for a compliance check failure.

The Retail Operations Manager, Kim Walker, has confirmed dates and locations for three meetings around the State to present and discuss the new retail ops manual to contracted liquor agents. Meetings will take place on November 30, December 1 & 2 in Burlington, Montpelier and Pittsford (Rutland area), in an effort to accommodate stores around the state.

I continue to work with the Department's Purchasing Coordinator to prepare for the transition for Bailment Replenishment Ordering to implement an ordering process. This new approach will improve the balance of our warehouse inventories and improve our continuity of supply

*Staffing:*

The Department has submitted a request for review to DHR Classification for the Purchasing Coordinator position, in an effort to more appropriately reflect the updated duties and responsibilities of that position.

The Department's new Director of Marketing will start her new job on Monday.

**Commissioner's Commentary:**

I am currently attending the Supervisory Training required of all supervisors and managers. My first class was held October 31, and I attended one last Monday, November 7<sup>th</sup> and have two remaining.

We reviewed our Agency Contract by cross referencing it against an upgraded version prepared by my predecessor, Jim Giffin. We concluded that the proposed changes have been incorporated into our current contract or within the body of our new retail manual.

We received approval from the Secretary of Administration to post and distribute our revised Bailment Agreement contract with our suppliers. This contract reflects several updates and defines new terms reflected in our switch to bailment replenishment ordering.

The Board has agreed to defer any decision until September to require a personal letter of guarantee from our retailers to add enhanced liability coverage to State owned inventories. This decision was made to allow our recently increased bonding amounts an opportunity to address their concerns.

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**Chuck Ross, SECRETARY**

**STATE OF VERMONT  
AGENCY OF AGRICULTURE**

**Confidential and Privileged**

**TO:** Gov. Peter Shumlin  
**FROM:** Chuck Ross, Secretary of Agriculture  
**RE:** Weekly Memo  
**DATE:** November 11, 2016

**Summary of Key Activity**

Secretary Ross and Deputy Secretary Bothfeld hosted a Dairy Farm Bill meeting of dairy leaders. The group broke into sessions that focused on water quality concerns and another on dairy pricing concerns. Results of these sessions will begin to shape the dialogue with the Congressional delegation.

VAAFM Hosts Vermont Farm to School Conference November 2-3, 2016, gathering more than 250 local and national leaders to listen, learn and develop plans to grow Farm to School throughout Vermont. Held over the course of two days at Lake Morey Resort in Fairlee, the conference featured talks by US Senator Patrick Leahy, USDA Farm to School and Community Food Systems Director Deborah Kane, and Executive Director of Child Nutrition of Detroit Public Schools Betti Wiggins. Additionally, many state government leaders and representatives were also in attendance, including Vermont Deputy Secretary of Agriculture Jolinda LaClair, Commissioner of Health Harry Chen, MD, Secretary of Education Rebecca Holcombe, and Windsor County Senator Dick McCormack.

On Friday, November 4th, the Working Lands Enterprise Board (WLEB) and the Vermont Sustainable Jobs Fund (VSJF) sponsored a daylong event called "Beyond Steel and Concrete: Wood in Modern Construction." The purpose of the day was to look at the potential uses of cross laminated timbers and glue laminates in Vermont buildings to help expand a market opportunity for wood products. The event was attended by over 50 architects, engineers, and members of supporting groups and organizations, including staff from BGS to consider how the state can do more to include Vermont-sourced wood products in our contracts/projects.

Senior Ag Dev Coordinator, Ryan Patch and Chief Policy Enforcement Officer, Stephanie Smith were at the Vermont League of Cities and Towns Fall Planning and Zoning Forum presented the regulatory jurisdictional changes for municipalities under the proposed Required Agricultural Practices Rules and guidance on how to address nuisance concerns, and protect water quality when there is a backyard husbandry operation in a town. Ninety-five municipal officials were present as well as, VLCT Legislative staff.

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Chuck Ross, SECRETARY

STATE OF VERMONT  
AGENCY OF AGRICULTURE

**Confidential and Privileged**

**TO:** Gov. Peter Shumlin  
**FROM:** Chuck Ross, Secretary of Agriculture  
**RE:** Weekly Memo  
**DATE:** November 11, 2016

**Summary of Key Agency Department Activity**

**Administration:**

- Deputy Secretary for Dairy Policy and Director of Administrative Services Bothfeld co facilitated a meeting with David Marvin of the VHCB Conservation Issues Committee and the Farm Viability Board. The topic was the role of each board in the conservation of farmland and maintaining viable farms as well as the pressures of value added farming operation on the conservation easements. When does a value added farming operation such as cheese making or cider and apple pies outstrip the size and scope of a conserved farm or farmstead. At some point these value added operation may need to be moved off the farm to meet the requirements of the conservation easements and to accommodate the growth of the business. Several speakers highlighted the changes occurring on farms and the need to add value to keep the farm viable. Other notes the regulatory environment of farms as they expand the value added operation. VHCB Conservation Issues Committee will review the rural enterprise policy of the board to determine if it meets current and possible future needs of conserved farms that choose to have a value added business on site.
- Deputy Secretary for Dairy Policy and Director of Administrative Services Bothfeld attended the New England Dairy Promotion Annual Meeting. Long term executive director Gary Wheelock is retiring in May of 2017 and this meeting will be his last in his current position. Gary has provided sound leadership of this organization since the early 1990's. The Agency of Agriculture has been complemented by New England Dairy Promotion staff of partnering well with their organization allowing for greater positive dairy messaging and promotion of products to be achieved through leveraging of limited funds for both organizations. The dairy farmers in attendance were instructed that the Agency of Agriculture has it regulatory role but is also working hard in conjunction with New England Dairy Promotion to highlight positive aspects of the dairy industry.

**Agricultural Development:**

- VAAFM Hosts Vermont Farm to School Conference November 2-3, 2016, Gathering More Than 250 Local and National Leaders to Listen, Learn, and Develop Plans to Grow Farm to School Throughout Vermont
  - Hosted by the partnership of VAAFM and Vermont FEED (NOFA-VT and Shelburne Farms), in partnership with the Vermont Farm to School Network, the 2016 Farm to School Conference offered workshops and opportunities for both beginners and experts dedicated to food, farm, and nutrition education. The goals of the conference included:
    - Strengthening the connections between the Classroom, Cafeteria, and Community and share best practices from across the state

- Strengthening the Vermont Farm to School Network and connect people so they envision themselves as part of the FTS Movement
    - Widening the audience aligned with Vermont’s Farm to School goals and strategies
  - Held over the course of two days at Lake Morey Resort in Fairlee, Vermont, the conference featured talks by US Senator Patrick Leahy, USDA Farm to School and Community Food Systems Director Deborah Kane, and Executive Director of Child Nutrition of Detroit Public Schools Betti Wiggins.
  - Conference attendees had opportunities to attend over 25 workshops focused on a variety of topics including farm to school curriculum design and funding strategies, sharing stories of impact, school garden program planning, and engaging teens through innovative food systems programs.
  - A number of state government leaders and representatives were also in attendance, including Vermont Deputy Secretary of Agriculture Jolinda LaClair, Commissioner of Health Harry Chen, MD, Secretary of Education Rebecca Holcombe, and Windsor County Senator Dick McCormack.
  - The conference marked the first visit to the Northeast Region by President Obama-appointed USDA Farm to School and Community Food Systems Director, Deborah Kane.
  - “Vermont has long been a leader of farm to school efforts, and this conference is a clear indicator of what has seeded that leadership,” said USDA Farm to School Director Deborah Kane during her keynote speech yesterday. “I am so inspired by Vermont’s vast farm to school network and its strong, meaningful, and effective partnerships. Working together helps make farm to school work!”
  - The conference attracted a wide range of FTS members and leaders, including farmers, food processors & distributors, child nutrition professionals, teachers, school administrators, government officials, policy makers, advocates, and non-profit partners.
  - Betty Wiggins, the Executive Director of Child Nutrition of Detroit Public Schools, spoke at the conference dinner on Wednesday night, which featured bean and vegetable cassoulet made with locally grown beans from Vermont Bean Crafters. Responsible for school meals in 137 schools in Detroit, Betty credits the Vermont Farm to School model for much of the success of her farm to school programs.
- On Friday, November 4th, the Working Lands Enterprise Board (WLEB) and the Vermont Sustainable Jobs Fund (VSJF) sponsored a daylong event called "Beyond Steel and Concrete: Wood in Modern Construction." The purpose of the day was to look at the potential uses of cross laminated timbers and glue laminates in Vermont buildings to help expand a market opportunity for wood products. The event was attended by over 50 architects, engineers, and members of supporting groups and organizations, including staff from BGS to consider how the state can do more to include Vermont-sourced wood products in our contracts/projects. Attendees learned about how these products are used and applied for form and function, as well as programs Canada is employing to encourage use of wood products in new construction which can influence the market. Although locally made versions of these products are not yet available, the WLEB and VSJF will continue to work with Vermont’s wood products industry to explore possible opportunities to manufacture in Vermont and/or New England, simultaneously creating a new market and helping to alleviate a portion of the softwood market crisis. Outcome: Heightened interest in the possibility of sourcing more wood-based products, and local lumber, for Vermont construction projects.

## Land Use

### Farmland Conservation

- Chief Policy Enforcement Officer, Stephanie Smith participated as a panel member in an exploration of what rural enterprises look like on conserved farmland. This is in preparation for revisions to VHCB’s Rural Enterprise Policy that guides decisions on what is an appropriately scaled business on a conserved farmland. Issues discussed included

the connection to farming and the agricultural products produced on the farm; resource protection / insuring the rural business doesn't detract from conservation purposes; being careful to not give an unfair advantage that impact other businesses; retrofits of agricultural buildings that impact transferability; growth planning challenges- business models include the rural destination/experience; benefits of business growth and infrastructure improvement on farm property financial assistance, property taxes when moving an agricultural product business off of a farm property alignment with other regulations public benefits of forest and farmland in use, and whether there should be additional compensation given by farm operators because of these benefits.

### Section 248

- VAAFAM will intervene on the Green Line energy transmission project through Addison and Rutland Counties to provide the same level of protection to all farm properties that are situated along the transmission route that conserved farmland projects will receive.
- VAAFAM will work with the Natural Resources Board in its filing to the Public Service Board on a 150 kW impacting  $\pm 1$  acre of primary agricultural soils that are also covered by an Act 250 permit, and presumably intended to be preserved for agricultural use.

### On farm Enterprises

- Now into fall, VAAFAM continues to work with stakeholders to dial in consensus on providing a permitting path for expanding and innovative business opportunities on active farms. The plan is to provide a statewide approach and if an individual operates a farm additional uses are also allowed on that property. These additional uses must be related to agriculture production occurring on the farm, at a small scale, be accessory to the farm, and meet locally set standards. The biggest sticking point is whether events at a farm should be one of these allowed uses, even if unrelated to agricultural products, do not feature agricultural practices, or do not provide an agricultural educational opportunity.

### Outreach and Education

- Senior Ag Dev Coordinator, Ryan Patch and Chief Policy Enforcement Officer, Stephanie Smith were at the Vermont League of Cities and Towns Fall Planning and Zoning Forum presented the regulatory jurisdictional changes for municipalities under the proposed Required Agricultural Practices Rules and guidance on how to address nuisance concerns, and protect water quality when there is a backyard husbandry operation in a town. Ninety-five municipal officials were present as well as, VLCT Legislative staff.

## **Produce Program:**

### **Produce Program Collaboration with UVM Extension**

- Produce Program Team—Abbey Willard, Shelley Mehlenbacher & Kristina Sweet—met for a 2<sup>nd</sup> occasion with UVM Extension staff and leadership to develop a plan for collaboration on implementation of the Food Safety Modernization Act (FSMA) Produce Safety Rule.
  - The team discussed Extension and VAAFAM produce safety program development and funding, a shared model for strategic program planning, upcoming training opportunities for technical service providers and regulators, and organizing a meeting of local and state-wide technical service providers to better align service and programs. This meeting has been scheduled for December.
  - The group will continue to meet every 3 to 4 weeks in the coming months to collaboratively implement future programming for FSMA implementation and ensure all Vermont produce growers have the resources they need to meet state, federal, and buyer-driven food safety requirements.

### **Produce Program Coordinator Announces SCBGP Awards**

- Produce Program Coordinator Kristina Sweet formally announced Specialty Crop Block Grant Program (SCBGP) awards totaling \$237,845 for seven projects to benefit Vermont fruit, vegetable, and added-value producers and increase consumer access to locally produced food.

- These grants, funded through the USDA's Agricultural Marketing Service, were awarded to Pitchfork Farm/Upstream Ag, University of Vermont & UVM Extension, and Vermont Fresh Network agricultural organizations to undertake a range of technology development, research, education, marketing, and program-building projects. The grants will leverage an additional \$167,000 in matching funds.
- Since the program's formation in 2006, the Vermont SCBGP has invested over \$2.1 million in projects to benefit Vermont specialty crop producers, including the awards just announced.

## **Food Safety Consumer Protection Division**

### **Consumer Protection:**

- Consumer Protection Specialist Dwight Brunnette has inspected and approved all the game scales submitted by Vermont Fish & Wildlife in Orleans, Caledonia, Essex and Eastern Franklin County. He also has tested other game scales at reporting stations in his area.
- Consumer Protection Specialists have responded to several consumer complaints this week, ranging from pricing concerns to one that Dwight Brunnette handled, involving a concern that Agency approval seals were being removed from gas pumps and put on other pumps. Dwight found that a cleaning fluid used by the station to clean the dispensers was causing the adhesive to fail. Dwight worked with the manager to relocate the seals to a safe, permanent area on the pumps.
- Marc Paquette and Henry Marckres of Consumer Protection mixed the colors for the Vermont Maple Sugarmakers Association's temporary maple grading kits on Tuesday. Each year, our section mixes the colors to assure their accuracy. Approximately 4,000 kits are made annually for distribution across the maple producing states in the U.S.

### **Dairy:**

- Stephanie Parks and Greg Lockwood were asked for and sent out 81 Certificates of Free Sale, hopefully showing an uptick in exports.
- Staff performed normal duties, one USPH rating on a producer/processor was completed.

### **Animal Health & Welfare:**

#### **Meat Inspection:**

- USDA FSIS has tentatively scheduled our on-site review 3/20-4/10/2017. The FSIS Civil Rights Division will also be doing an onsite review on 3/22/17.
- Beginning work on decentralized reallocation.
- Budget to FSIS is due shortly.
- Inquiries received concerning cold storage opportunities for meat products in VT
- Complaint received about practices at a federally inspected plant in southern VT, referred individual to USDA and the VT Attorney General

### **Agricultural Resource Management:**

#### **Vermont Agricultural & Environmental Laboratory (VAEL)**

- VAEL Lab director met with a group of participants in the Vermont Certified Public Managers Program to help plan their Capstone proposal. The topic of the proposal is to find a way to streamline sample delivery to the lab. Initially, the focus of the project will be on delivery of samples from the DEC, with the ability to expand the delivery solution to include AAFM samples. The group's proposal is expected to be complete on Nov. 21<sup>st</sup>, 2016.

- New instrumentation for VAEL's metals section has arrived and is awaiting installation by the manufacturer. UVM's maintenance staff have provided excellent support at all steps of this process.
- VAEL's postings for the two open chemist positions have closed and VTHR has forwarded the lists of qualified applicants for review. Over the upcoming week the hiring committees will review and communicate with the applicants to set up interviews.
- On Wednesday, Nov. 9<sup>th</sup> 2016 VAEL's labs were inspected as a part of the DEC audit of UVM's laboratories for compliance with waste management rules. VAEL's lab spaces and practices were found to be fully compliant.

### **Water Quality:**

#### **North Lake Contractor Initiative:**

- North Lake Contractors have been calling in to participate in our weekly meetings in order to facilitate better transfer of information.
- Staff and supervisors continue to coordinate with North Lake contractors as projects move forward.

#### **Small, Medium and Large Farm Operation (SFO, MFO and LFO) Programs:**

- Staff continue to review numerous applications for LFO permit amendments or applications to become permitted LFOs.
- Inspection report write-ups and edits on Medium and Large Farms are numerous and ongoing.
- Staff members continue to review inspection reports to be submitted to the enforcement team; these efforts will continue until all fall inspections have been adequately documented.
- 2 Technical assistance visits were conducted on SFOs in Addison and Franklin county
- 1 Technical assistance visit was conducted on an MFO in Franklin county
- 1 LFO inspection was conducted by staff in Addison County, and 2 LFO inspections were conducted by staff in Franklin County.

#### **Other work:**

- Staff are continuing to develop and test the Food Safety Water Quality database.
- Supervisors meet with staff bi-weekly to discuss progress reports.
- A staff continue the CAPS program.
- Staff continue to attend WQ Communications meetings.
- Staff continue discussions on topics in program development.
- Review of applications for the Clean Water Initiative have begun with several staff.
- Staff continue discussions on enforcement process and priorities.
- The Vermont Environmental Stewardship program preliminary plan was presented to several staff members for comments and planning.
- Staff attended a meeting to review the Water Quality Budget
- The Ag BMP tracking meeting was held with Agency staff and staff from ANR
- A meeting was held concerning the Interagency Tech Group which AAFM staff attended

### **Secretary's Report:**

**Press:** Emma Cotton of the Addison Independent Secretary Ross asking for comment on the impact of the election on guest workers on Vermont Farms.

**Meetings:**

Dairy Farm Bill Meetings – Secretary Ross and Deputy Secretary Bothfeld hosted a Dairy Farm Bill meeting of dairy leaders. The group broke into sessions that focused on water quality concerns and another on dairy pricing concerns. Results of these sessions will begin to shape the dialogue with the Congressional delegation.

Pollinator Protection Committee – Committee is preparing the report due to the Legislature on or before December 15, 2016.

FDA – Secretary Ross met with Resident Agent in Charge Derek Roy to discuss cooperatively dealing with criminal investigations/allegations brought to the attention of the Food and Drug Administration through the Boston office.

VHCB & Farm & Forestry Viability Meeting – Attended joint meeting of the Vermont Housing and Conservation Board and the Farm and Forestry Viability.

Spoke to New England Dairy Promotion Community at their Annual meeting held in Killington.